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NOTICE

The undermentioned Gazettes of India Extraordinary were published upto the 5th September, 1960 :—

Issue No.	No. and date	Issued by	Subject
176	S. O. 2181, dated 2nd September, 1960	Ministry of Commerce and Industry.	Appointment of a body of persons for making a complete investigation into the circumstances of M/s R. S. Reckchand Gopal Das Spinning and Weaving Mills, Akola.
177	S. O. 2182, dated 3rd September, 1960.	Ministry of Steel, Mines and Fuel.	Amendment in S. O. 2112, dated 24th August, 1960.
178	S. O. 2183, dated 3rd September, 1960.	Ministry of Information and Broadcasting.	Approval of films specified therein.
179	S. O. 2184, dated 5th September, 1960.	Ministry of Commerce and Industry.	Appointment of the Members of the Coir Board.

Copies of the Gazettes Extraordinary mentioned above will be supplied on indent to the Manager of Publications, Civil Lines, Delhi. Indents should be submitted so as to reach the Manager within ten days of the date of issue of these Gazettes.

PART II—Section 3—Sub-section (ii)

Statutory orders and notifications issued by the Ministries of the Government of India (other than the Ministry of Defence) and by Central Authorities (other than the Administrations of Union Territories).

MINISTRY OF LAW

(Department of Legal Affairs)

New Delhi, the 9th September 1960

S.O. 2234.—In exercise of the powers conferred by rule 1 of Order XXVII of the First Schedule to the Code of Civil Procedure, 1908 (5 of 1908), the Central Government hereby appoints the Managing Director, National Coal Development

Corporation Ltd., Ranchi as the person to sign and verify plaints and written statements in suits, by or against the Central Government, relating to the eviction of persons who are in unauthorised occupation of Colliery lands and premises in Talcher and Deulbera Collieries, in any court of civil jurisdiction.

[No. F. 16(1)/60-J.]
R. S. GAE, Jt. Secy.

MINISTRY OF EXTERNAL AFFAIRS

New Delhi, the 26th August 1960

S.O. 2235.—Whereas the Central Government is of opinion that the system of booking accommodation in pilgrim ships for Haj pilgrims specified in the Schedule annexed hereto should be enforced during the Haj Season in 1951.

Now, therefore, in exercise of the powers conferred by Section 289C of the Indian Merchant Shipping Act, 1923 (21 of 1923), the Central Government hereby exempts Messrs. Mogul Line, Bombay and every other shipping Company engaged in pilgrim traffic from Bombay to the Hejaz, from such provisions of the said Act and the Indian Pilgrim Ships Rules 1933, as are not in conformity with the aforesaid system of booking accommodation in pilgrim ships carrying pilgrims from Bombay to Jeddah during the year 1961.

THE SCHEDULE

SYSTEM OF BOOKING ACCOMMODATION AT BOMBAY FOR HAJ PILGRIMS

1. **Schedule of sailings.**—Every shipping company shall announce a provisional schedule of outward sailings 6 months in advance. Firm dates of sailings shall be advertised by the Shipping Company at least 15 days in advance as required under the provisions of the Indian Merchant Shipping Act, 1923. The penal provisions of the Indian Merchant Shipping Act, 1923 shall operate with reference to the firm sailing dates as advertised.

2. **Advance reservations of Passages.**—(i) Reservation lists for all sailings announced in the provisional schedule shall be opened by the Company simultaneously and intending Pilgrims will have the option of availing passages in whatever ship they like. Such reservations shall be made only on payment of a deposit of Rs. 100/- per adult and Rs. 50/- per child accompanied by applicant's full particulars with four copies of his photographs (in case of male applicant) out of which one will be pasted on the receipt issued by the Shipping Company for reservation of passages. The other two copies of the photographs together with the particulars of the applicant will be passed on to the Port Haj Committee, Bombay by the Shipping Company. When reservations of a particular ship are complete, the Shipping Company shall refuse to accept any further deposits for that particular ship.

(ii) A cabin class pilgrim may make an application for reservation of a deck passage for his servant, and may in genuine cases take any other servant than the one mentioned in the application.

3. **Registration in Waiting Lists.**—Persons whose deposits for advance reservation are received after the reservation of accommodation on all the ships is complete shall be kept on the common waiting lists with the Shipping Company. Persons who may not have made any advance reservation of passages but who may reach Bombay and ask for Passages, shall also have get their names registered on waiting lists with the Shipping Company. Registration of such persons on the waiting lists will be made on an application for registration on waiting lists accompanied by a deposit of Rs. 10/- per passenger and a copy of the photograph of the person concerned. Registration on waiting lists shall be made strictly in order of the receipt of deposits aforesaid by the Shipping Company.

4. **Purchase of tickets.**—All persons who may have made advance reservations of passages shall have to purchase their tickets at least 3 days before the sailing date. Such of the persons as fail to purchase tickets 3 days in advance shall be deemed to be not travelling in those ships. Passages not previously booked in particular ships or released by passengers who do not purchase their tickets 3 days in advance shall be offered according to the order referred to in paragraph 3 to the persons whose names are registered on the waiting lists.

5. **Treatment of deposits when passages are availed of.**—The deposit of Rs. 100/- or Rs. 50/- or Rs. 10/- as the case may be, shall be accounted towards the cost of passage when the passage has been availed of.

6. **Treatment of the deposit when the passage is not availed of.**—(i) When a person has reserved his passage and does not intend to avail of the same and gives 10 clear days' notice of his intention to the company in advance of the sailing date then his deposit shall be refunded in full.

(ii) In the case of a person who has reserved his passage but is prevented from availing of the same due to unforeseen circumstances, such as death in the family the deposit may be refunded to him in full; any dispute that may arise shall be referred in the first instance to the Chairman, Port Haj Committee, Bombay, and if the Chairman's decision is not acceptable to the pilgrim concerned or to the shipping company, the Chairman shall refer the matter to the Presidency Magistrate or the Magistrate of the first class exercising of jurisdiction in the Port. The decision of the Magistrate shall be final and there shall be refunded to the pilgrims any amount allowed to him by such decision.

(iii) A person who has reserved his passage by a particular ship but is unable to avail of the same and desires to travel by a subsequent ship, may be given full credit in respect of his deposit towards the cost of passage.

(iv) In all other cases where a person has reserved his passages but does not avail of the same, a deduction of 10% will be made while refunding the amount deposited by him.

(v) Where a person has got his name registered on the waiting list and does not avail of the passage when offered, a sum of Rs. 10/- shall be forfeited from his deposit and the balance, if any, shall be refunded to him by the Shipping Company.

(vi) When a person who has got his name registered on the waiting list and is not offered any passage, the amount paid by him as deposit, shall be refunded to him in full.

7. **Scrutiny.**—The records of the shipping company in respect of reservation of passages as well as waiting lists shall be open to scrutiny by the Central Government, Chairman of the Port Haj Committee, Bombay, Executive Officer, Port Haj Committee, Bombay or 2 members of the Port Haj Committee, Bombay nominated by the Chairman, or any officer or officers, nominated by the Committee for this purpose.

[No. F. 28-A(25)-WANAR/60.]

P. N. KAUL, Dy. Secy.

MINISTRY OF FINANCE (Department of Expenditure)

New Delhi, the 1st September 1960

S.O. 2236.—In exercise of the powers conferred by the proviso to article 309 and clause (5) of article 148 of the Constitution, and after consultation with the Comptroller and Auditor General in relation to persons serving in the Indian Audit and Accounts Department, the President hereby makes the following further amendment in the Defence Savings Provident Fund Rules, namely:—

In the said Rules, in rule 13 of the following further proviso shall be inserted, namely:—

“Provided also that any amount standing to the credit of a subscriber for which application for withdrawal is not submitted on or before the 14th August, 1960, shall, in accordance with rule 16 be transferred to Deposits on the 31st March, 1961 and treated under the ordinary rules relating to deposits.”

[No. F. 40(29)-EV/59.]

New Delhi, the 8th September 1960

S.O. 2237.—In exercise of the powers conferred by the proviso to article 309 and clause (5) of article 148 of the Constitution, and after consultation with the Comptroller and Auditor General in relation to persons serving in the Indian Audit and Accounts Department, the President hereby makes the following further amendments in the Civil Service Regulations, namely:—

1. These Regulations may be called the Civil Service (Amendment) Regulations, 1960.

2. In the Civil Service Regulations, in Article 353A,—

(i) for the existing list of services enumerated in clauses (a) to (h), the following shall be substituted, namely—

“(a) The Indian Civil Service.

(b) The Indian Police.”;

(ii) Notes 1, 2 and 3 shall be omitted.

[No. F. 24(48)-EV/60.]

D. D. BHATIA, Dy. Secy.

(Department of Expenditure)

New Delhi, the 5th September 1960

S.O. 2238.—In exercise of the powers conferred by sub-rule (2) of rule 11, clause (b) of sub-rule (2) of rule 14 and sub-rule (1) of rule 23 of the Central Civil Services (Classification, Control and Appeal) Rules, 1957, the President hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Expenditure) No. S.R.O. 639, dated the 28th February, 1957 namely :—

For the Schedule to the said notification, the following Schedule shall be substituted, namely :—

SCHEDULE

Part I—General Central Service, Class II

Description of post	Appointing Authority	Authority competent to impose penalties and penalties which it may impose (with reference to item numbers in rule 13)	
		Authority	Penalties
(1)	(2)	(3)	(4)
<i>Indian Audit and Accounts Department</i>			
Asstt. Accounts Officer ; Asstt. Audit Officer.	Comptroller and Auditor-General	Comptroller and Auditor General Deputy Comptroller and Auditor-General/ Additional Deputy Comptroller and Auditor General (Personnel) ; Accountant General; Additional Accountant General, Damodar Valley Corporation ; Comptroller ; Director of Audit, Defence Services. Director of Audit, Food, Rehabilitation, Supply, Commerce, Steel and Mines ; Director of Commercial Audit ; Chief Auditor, Railways.	All (i) to (ii)
Assistant Private Secretary to Comptroller and Auditor-General.	Comptroller and Auditor-General.	Comptroller and Auditor-General	All
Administrative Officer, Indian Audit and Accounts Service Training School.	Comptroller and Auditor-General.	Comptroller and Auditor-General Principal	All (i) to (iii)

Part II—General Central Services, Class III.

Description of post	Appointing Authority	Authority competent to impose penalties and penalties which it may impose (with reference to item numbers in rule 13).		Appellate Authority
		Authority	Penalties	
1	2	3	4	5
<i>Indian Audit and Accounts Department.</i>				
Office of the Comptroller and Auditor-General.				
All Posts	Deputy Comptroller and Auditor General/Additional Deputy Comptroller and Auditor-General (Personnel).	Deputy Comptroller and Auditor-General/Additional Deputy Comptroller and Auditor-General (Personnel). Assistant Comptroller and Auditor-General (Personnel).	All (i) to (iii)	Comptroller and Auditor-General. Deputy Comptroller and Auditor-General/Additional Deputy-Comptroller and Auditor General (Personnel).
Civil Accounts and Audit Offices (Head Office).				
All posts including Divisional Accountants.	Accountant General ; Additional Accountant General, Damodar Valley Corporation ; Comptroller ; Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers ; Director of Audit, Indian Accounts, U. K. ; Audit Officer, Washington.	Accountant General ; Additional Accountant General, Damodar Valley Corporation ; Comptroller ; Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers ; Director of Audit, Indian Accounts, U. K. ; Audit Officer, Washington. Senior Deputy Accountant General ;	All (i) to (iii)	Deputy Comptroller and Auditor-General/Additional Deputy Comptroller and Auditor-General (Personnel). Accountant General ;

1	2	3	4	5
		Deputy Accountant General ; Examiner, Local Audit Department ; Deputy Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers ; Deputy Director of Audit, Indian Accounts, U. K. ; Deputy Audit Officer, Washington.		Additional Accountant General, Damodar Valley Corporation ; Comptroller ; Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers ; Director of Audit, Indian Accounts ; U. K. Audit Officer, Washington.
Divisional Accountants	Accountant General ; Additional Accountant General, Damodar Valley Corporation ; Comptroller Chief Auditor, Damodar Valley Corporation & Sindri Fertilizers.	Accountant General ; Additional Accountant General, Damodar Valley Corporation ; Comptroller Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers.	All	Deputy Comptroller and Auditor General/Additional Deputy Comptroller and Auditor-General (Personnel).
		Senior Deputy Accountant General ; Deputy Accountant General ; Deputy Comptroller ; Examiner, Local Audit Department Deputy Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers.	(i) to (iii)	Accountant General ; Additional Accountant General, Damodar Valley Corporation ; Comptroller ; Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers.
Branch Offices in charge of Senior Deputy Accountants General.				
Subordinate Accounts Service	Accountant General	Accountant General	All	Deputy Comptroller and Auditor General/Additional Deputy Comptroller and Auditor-General (Personnel).
		Senior Deputy Accountant General ; Deputy Accountant General,	(i) to (iii)	Accountant General,

All other Posts	Senior Deputy Accountant General.	Senior Deputy Accountant General. Deputy Accountant General.	All (i) to (iii)	Accountant General. Accountant General.
Organisation of	<i>Director of Audit, Defence Services, Director of Commercial Audit, Director of Audit, Food, Rehabilitation, Supply, Commerce, Steel & Mines.</i>			
Headquarters Office	Director	Director.	All	Deputy Comptroller and Auditor-General/Additional Deputy Comptroller and Auditor-General (Personnel).
All Posts			(i) to (iii)	Director.
Branch offices :		Senior Deputy Director ; Deputy Director.		
Subordinate Accounts Service	Director	Director	All	Deputy Comptroller and Auditor-General/Additional Deputy Comptroller and Auditor-General (Personnel).
		Senior Deputy Director ; Deputy Director.	(i) to (iii)	Director.
All other posts	Senior Deputy Director ; Deputy Director.]	Senior Deputy Director ; Deputy Director.	All	Director.
Posts and Telegraphs Audit Offices:				
Central Office :				
All Posts	Accountant General, Posts and Telegraphs.	Accountant General, Posts and Telegraphs.	All	Deputy Comptroller and Auditor-General/Additional Deputy Comptroller and Auditor-General (Personnel).
		Senior Deputy Accountant General ; Deputy Accountant General.	(i) to (iii)	Accountant General, Posts and Telegraphs.
Branch Offices :				
Subordinate Accounts Service	Accountant General, Posts and Telegraphs.	Accountant General, Posts and Telegraphs.	All	Deputy Comptroller and Auditor-General/Additional Deputy Comptroller and Auditor-General (Personnel).

(1)	(2)	(3)	(4)	(5)
		Senior Deputy Accountant General, Posts and Telegraphs Deputy Accountant General, Posts and Telegraphs.	(i) to (ii)	Accountant General, Posts and Telegraphs.
All other Posts	Senior Deputy Accountant General, Posts and Telegraphs; Deputy Accountant General, Posts and Telegraphs.	Senior Deputy Accountant General, Posts and Telegraphs Deputy Accountant General, Posts and Telegraphs.	All	Accountant General, Posts and Telegraphs.
Railway Audit Offices. All Posts	Chief Auditor	Chief Auditor	All	Additional Deputy Comptroller and Auditor-General (Railways) and <i>Ex-officio</i> , Director of Railway Audit.
		Deputy Chief Auditor	(i) to (iii)	Chief Auditor.
<i>Part III—General Central Service, Class IV.</i>				
<i>Indian Audit and Accounts Department</i>				
<i>Office of the Comptroller and Auditor General:</i>				
All Posts	Assistant Comptroller and Auditor-General (P).	Assistant Comptroller and Auditor-General (P).	All	Deputy Comptroller and Auditor-General/Additional Deputy Comptroller and Auditor-General (Personnel).
<i>Civil Accounts and Audit Offices (including Head Office and Branch Offices)</i>				
All Posts	Senior Deputy Accountant General; Deputy Accountant General; Deputy Comptroller; Examiner, Local Audit Department; Deputy Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers; Deputy Director of Audit, Indian Accounts, U.K. Deputy Audit Officer, Washington.	Senior Deputy Accountant General; Deputy Accountant General; Deputy Comptroller; Examiner, Local Audit Department; Deputy Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers; Deputy Director of Audit, Indian Accounts, U.K.; Deputy Audit Officer, Washington.	All	Accountant General; Additional Accountant General, Damodar Valley Corporation; Comptroller; Chief Auditor, Damodar Valley Corporation and Sindri Fertilizers. Director of Audit, Indian Accounts, U.K.; Audit Officer, Washington.

Assistant Accountant General ; (i) to (iii)
 Assistant Comptroller ;
 Assistant Accounts/Audit Officer
 Damodar Valley Corporation
 and Sindri Fertilizers ;
 Assistant Accounts/Audit Officer.

Senior Deputy Accountant
 General ;
 Deputy Accountant General ;
 Deputy Comptroller ;
 Examiner, Local Audit Depart-
 ment ;
 Deputy Chief Auditor, Damodar
 Valley Corporation and Sindri
 Fertilizers ;
 Deputy Director of Audit, Indian
 Accounts U.K. ;
 Deputy Audit Officer, Washing-
 on.

Posts and Telegraphs Audit Offices :
 Central Office :

All Posts	Senior Deputy Accountant General, Posts and Tele- graphs ; Deputy Accountant General, Posts and Telegraphs.	Senior Deputy Accountant General, Posts and Tele- graphs ; Deputy Accountant General, Posts and Telegraphs.	All	Accountant General, Posts and Telegraphs.
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Branch Offices:

All Posts	Head of Office	Head of Office	All	Accountant General, Posts and Telegraphs.
		Assistant Accountant General, Posts and Telegraphs ; Assistant Accounts Officer.	(i) to (iii)	Senior Deputy Accountant General, Posts and Telegraphs ; Deputy Accountant General, Posts and Telegraphs.

Organisation of :

Director of Commercial Audit.
Director of Audit, Food, Rehabilitation,
Supply, Commerce, Steel and Mines.

All Posts	Senior Deputy Director ; Deputy Director.	Senior Deputy Director ; Deputy Director. Assistant Director ; Assistant Accounts/Audit Officer.	All (i) to (iii)	Director. Senior Deputy Director ; Deputy Director.
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Railway Audit Offices :

All Posts	Deputy Chief Auditor.	Deputy Chief Auditor.	All	Chief Auditor.
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1	2	3	4	5
<i>Director of Audit, Defence Services.</i>				
Head Quarters Office :				
All Posts	Senior Deputy Director of Audit, Defence Services ; Deputy Director of Audit, Defence Services.	Senior Deputy Director of Audit, Defence Services ; Deputy Director of Audit, Defence Services.	All	Director of Audit, Defence Services.
<i>Branch Offices</i>				
All Posts	Senior Deputy Director of Audit, Defence Services ; Deputy Director of Audit, Defence Services ; Assistant Director of Audit, Defence Services ; Assistant Audit Officer ; Head of Office.	Senior Deputy Director of Audit, Defence Services ; Deputy Director of Audit, Defence Services ; Assistant Director of Audit, Defence Services ; Assistant Audit Officer ; Head of Office.	All	Director of Audit, Defence Services.

(No. F. 20(4)-E.G.I/60).

New Delhi, the 6th September 1960

S.O. 2239.—In pursuance of clause (3) of article 77 of the Constitution and of all other powers enabling him in this behalf, the President is pleased to make the following amendment in the Delegation of Financial Powers Rules, 1958 (published as S.O. 2614 in the Gazette of India dated the 20th December 1958), namely:—

Amendment No. 67.

In the said Rules, the existing entries at Serial No. 19 of the Annexure to Schedule V may be substituted by the following entries:—

Col. 1	Col. 2	Col. 3
19.	Repairs to and removal of machinery (where the expenditure is not of a Capital nature).	Full powers.

[No. F. 12(80)-E.II(A)/60.]

C. R. KRISHNAMURTHI, Dy. Secy.

(Department of Economic Affairs)

INSURANCE

New Delhi, the 6th September 1960

S.O. 2240.—The following draft of rules further to amend the Insurance Rules, 1939, which the Central Government proposes to make in exercise of the powers conferred by section 114 of the Insurance Act, 1938 (4 of 1938), is published as required by sub-section (1) of the said section for the information of all persons likely to be affected thereby; and notice is hereby given that the draft will be taken into consideration by the Central Government on or after the 15th October, 1960.

Any objection or suggestion which may be received from any person with respect to the draft on or before the date so specified will be considered by the Central Government.

DRAFT RULES

1. These rules may be called the Insurance (Amendment) Rules, 1960.
2. For clause (ii) of rule 2 of the Insurance Rules, 1939, the following clause shall be substituted, namely:—

“(iii) ‘Bombay area’ means the area comprising the States of Maharashtra, Gujarat and Madhya Pradesh.”

[No. 102-IF(1)/60.]

New Delhi, the 13th September 1960

S.O. 2241.—Whereas the Central Government in exercise of the powers conferred by sub-section (2) of section 52A of the Insurance Act, 1938 (4 of 1938), appointed Shri M. J. Rao, as Administrator to manage the affairs of the Bharat Insurance Company Limited with its registered office at Delhi in the notification of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. 95-IA(5)/55 dated the 26th September, 1955.

And whereas the said Shri M. J. Rao has been granted leave with effect from the 15th September, 1960 to the 15th November, 1960.

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 52A of the said Act, the Central Government hereby appoints Shri V. Sundara Rajan of the Department of Insurance as Administrator to manage the affairs of the said insurer, under the direction and control of the Controller of Insurance during the absence on leave of Shri M. J. Rao and directs that the said Administrator shall receive such remuneration payable out of the funds of Bharat Insurance Company Limited as may be fixed by the Government.

[No. F. 51(41)-INS.I/60.]

S.O. 2242.—Whereas the Central Government in exercise of the powers conferred by sub-section (2) of section 52A of the Insurance Act, 1938 (4 of 1938), appointed Shri M. J. Rao, as Administrator to manage the affairs of the Empire of India Life Assurance Company Limited with its registered office at Bombay in the notification of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. 107(4)-INS/56 dated the 13th March, 1956.

And whereas the said Shri M. J. Rao has been granted leave with effect from the 15th September, 1960 to the 15th November, 1960.

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 52A of the said Act, the Central Government hereby appoints Shri C. C. Mody, General Manager, Jupiter General Insurance Company Limited, Bombay as Administrator to manage the affairs of the said insurer during the absence on leave of Shri M. J. Rao, under the direction and control of the Controller of Insurance and directs that the said Administrator shall receive such remuneration payable out of the funds of Empire of India Life Assurance Company Limited as may be fixed by the Government.

[No. F. 51(41)-INS.I/60.]

S.O. 2243.—Whereas the Central Government in exercise of the powers conferred by sub-section (2) of section 52A of the Insurance Act, 1938 (4 of 1938), appointed Shri M. J. Rao, as Administrator to manage the affairs of the Jupiter General Insurance Company Limited with its registered office at Bombay in the notification of the Government of India in the Ministry of Finance (Department of Economic Affairs) No. 107(4)-INS/56 dated the 13th March, 1956.

And whereas the said Shri M. J. Rao has been granted leave with effect from the 15th September, 1960 to the 15th November, 1960.

Now, therefore, in exercise of the powers conferred by sub-section (2) of section 52A of the said Act, the Central Government hereby appoints Shri C. C. Mody, General Manager, Jupiter General Insurance Company, Bombay as Administrator to manage the affairs of the said insurer during the absence on leave of Shri M. J. Rao, under the direction and control of the Controller of Insurance and directs that the said Administrator shall receive such remuneration payable out of the funds of the Jupiter General Insurance Company Limited as may be fixed by the Government.

[No. F. 51(41)-INS.I/60.]

P. GANGULEE, Dy. Secy.

(Department of Economic Affairs)

New Delhi, the 8th September 1960

S.O. 2244 —Statement of the Affairs of the Reserve Bank of India, as on the 2nd September, 1960.

BANKING DEPARTMENT

Liabilities	Rs.	Assets	Rs.
Capital paid up	5,00,00,000	Notes	8,51,46,000
Reserve Fund	80,00,00,000	Rupee Coin	2,00,000
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000	Subsidiary Coin	5,71,000
National Agricultural Credit (Stabilisation) Fund	5,00,00,000	Bills Purchased and Discounted :—	
Deposits :—		(a) Internal	
(a) Government		(b) External	
(1) Central Government	52,90,46,000	(c) Government Treasury Bills	5,81,73,000
(2) Other Governments	46,68,44,000	Balances held abroad*	20,34,27,000
(b) Banks	110,40,38,000	Loans and Advances to Governments**	28,60,14,000
(c) Others	101,72,71,000	Other Loans and Advances†	150,97,11,000
Bills Payable	18,68,41,000	Investments	247,63,71,000
Other Liabilities	13,42,56,000	Other Assets	11,86,83,000
RUPEES	473,82,96,000	RUPEES	473,82,96,000

*Includes Cash and Short-term Securities.

**Includes Temporary Overdrafts to State Governments.

†The item 'Other Loans and Advances' includes Rs. 10,10,30,000/- advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.

dated the 7th day of September, 1960.

An Account pursuant to the Reserve Bank of India Act, 1934, for the week ended the 2nd day of September 1960.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Notes held in the Banking Department	8,51,46,000		A Gold Coin and Bullion:—		
Notes in circulation	<u>1795,33,22,000</u>		(a) Held in India	117,76,03,000	
Total Notes issued		1803,84,68,000	(b) Held outside India		
			Foreign Securities	<u>123,00,89,000</u>	
			TOTAL OF A		240,76,92,000
			B. Rupee Coin		131,42,00,000
			Government of India Rupee Securities		1431,65,76,000
			Internal Bills of Exchange and other commercial paper		..
TOTAL LIABILITIES		<u>1803,84,68,000</u>	TOTAL ASSETS		<u>1803,84,68,000</u>

Dated the 7th day of September, 1960.

H. V. R. IENGAR,
Governor.

[N. F. 3(2)-BC/60.
A. BAKSI, Jr. Secy.

(Department of Economic Affairs)

*New Delhi-2, the 10th September 1960***Report of the Central Board of Directors of the Reserve Bank of India***For the year July 1, 1959—June 30, 1960*

S.O. 2245.—In accordance with section 53(2) of the Reserve Bank of India Act, 1934 the Central Board of Directors has submitted to the Govt. of India the following report on the working and accounts of the Bank for the year ended June 30th, 1960.

Development in the Economy

1. **General.**—A substantial increase in the rate of growth of industrial production, some decline in agricultural output, a modest increase in aggregate investment, a further and marked rise in the general price level, a rise in the rate of expansion of money supply and bank credit, an intensification of the stock market boom and a further, though small, fall in the foreign exchange reserves (which was accounted for by special payments to the I.M.F.) were the main features of the Indian economy during the year under review.

2. It is against this background that the Reserve Bank adopted further measures of credit restraint consistently with the policy of ensuring an adequate flow of credit for productive purposes, particularly to sectors which need special assistance. The Bank continued to operate, with suitable modifications, the existing selective controls in respect of foodgrains, sugar and groundnuts and brought within their purview all other oilseeds (except cotton seed). During the latter half of the year, resort was had, for the first time, to the instrument of variable reserve ratios, alongside other measures including a ban on direct financing by banks of *badla* transactions, imposition of minimum margins in respect of bank advances against ordinary shares and the prescription of a ceiling for clean advances. Action was also taken further to restrict banks' borrowings under the Bill Market Scheme. The Bank's open market operations continued to be employed during the year to siphon off the excess liquidity in the economy. Further progress was made during the year in regard to the expansion and strengthening of the institutional framework for the provision of industrial and agricultural finance as well as the expansion of commercial banking on sound lines.

3. **Production Trends.**—Overall agricultural production, which had declined sharply during 1957-58, recorded a substantial rise of 14.3 per cent in 1958-59. The general index of agricultural production (base: 1949-50=100) which had fallen from 123.6 in 1956-57 to 114.6 in 1957-58, rose to 131.0 in 1958-59. The foodgrains index increased by 18.7 per cent while the rise in the case of non-foodgrains was comparatively small at 6.9 per cent. The production of foodgrains during 1958-59 reached a record level of 73.5 million tons, which represents a rise of 11.0 million tons over 1957-58 and 4.8 million tons over 1956-57. For 1959-60, however, overall agricultural production according to available estimates, shows some decline, mainly under cotton and jute and partly under foodgrains.

4. The rate of growth of industrial production, which had slowed down in 1957 and 1958, recorded a marked rise during 1959. The average general index (base : 1951=100) for 1959 worked out to 151.1 or an increase of 8.2 per cent as compared to 1.7 per cent in 1958 and 3.5 per cent in 1957. The figure for the first quarter of 1960 was 13.7 per cent higher than during the corresponding period of 1959. The improvement in industrial production in 1959 is attributable to number of factors including larger supplies of imported raw materials, revival of domestic demand which enabled a fuller utilisation of existing capacity and the commencement of production by some of the new units.

5. Industry, however, is faced with the problem of rising raw material prices and the growing pressure for wage and salary increases which may seriously affect costs and thereby its competitive capacity in export markets. The scope for rationalisation and modernisation of industry needs to be thoroughly explored and implemented. It is also important to ensure that wage increases are commensurate with productivity and that, at the same time, the cost of living is held down.

6. **Commodity Prices.**—The price situation continued to cause concern during the year under review. The general index of wholesale prices (base : 1952-53=100) recorded an almost continuous rise from 115.6 in the last week of June 1959 to

touch a peak of 120.0 for the week ended October 10, 1959, thereby surpassing the previous peak of 116.9 touched during the week ended September 13, 1958. This was followed by a temporary decline, with the index coming down to 117.5 on December 19, 1959; thereafter the index moved up again to 120.0 on February 13, 1960 and, after declining to 118.6 by the end of March, rose almost continuously to touch a new high of 123.5 for the week ended May 14, 1960 before closing for the year ended June at 122.9. Thus, over the year there was a net rise of 6.3 per cent as compared to a rise of 2.0 per cent in 1958-59. The average general index for the year was higher than that of the previous year by 4.5 per cent, as compared to a rise of 5.1 per cent in the previous year.

7. A feature of the price rise in 1959-60 was that, for the first time since 1951, 'industrial raw materials' and 'manufactures' have emerged as the most important contributory groups while the part played by 'food articles' was comparatively unimportant. Thus, while the indices of industrial raw materials and manufactures increased by 15.5 per cent and 9.8 per cent, respectively, as compared to a rise of 3.8 per cent and 1.0 per cent, respectively, in 1958-59, food articles, which had risen by 2.1 per cent in 1958-59, showed a rise of only 1.5 per cent in 1959-60. The rise in the 'industrial raw materials' group was largely under raw jute, groundnuts and raw cotton, whereas the increase in 'manufactures' was mainly under the textiles sub-group. The comparatively small rise in food articles, specially cereals, may be attributed to the record output of foodgrains in 1958-59 as well as larger imports of foodgrains at 4.22 million tons as compared to 3.70 million tons in the previous year. The rise in 'food articles' occurred mainly under tea, edible oils, sugar and cereals; in the cereals sub-group, rice recorded a rise of 9.6 per cent in contrast to a decline of 7.1 per cent in 1958-59, while wheat recorded a decline of 4.5 per cent.

8. The all-India working class consumer price index (base 1949=100) moved up from 122 in June 1959 to 126 by November; it declined to 122 in December and further to 121 in March 1960, but moved up to 123 by June 1960; the average for the year was 3.2 per cent higher than that for 1958-59.

9. **Monetary Situation.**—During the year there was a rise in the rate of expansion in money supply and bank credit. Money supply with the public moved up by Rs. 172 crores or 6.3 per cent (to Rs. 2,702 crores) during the Bank's accounting year 1959-60, as compared to Rs. 151 crores or 6.4 per cent in 1958-59, the bulk of the rise occurring under currency with the public. The rise in bank credit to Government, although considerably smaller than in the preceding year, continued to be the major expansionist factor, while the rise in bank credit (covering non-scheduled and State co-operative banks also) to the private sector was significantly larger than in 1958-59. Indicating mainly the pressure of demand for bank credit, the contraction in money supply during the 1959 slack season (May-October) was lower (at Rs. 111 crores) than in the 1958 slack season (Rs. 157 crores). The expansion in money supply during the 1959-60 busy season (November-April) was somewhat smaller at Rs. 377 crores than in the 1958-59 busy season (Rs. 291 crores), due mainly to a deficit in balance of payments (as measured by the variations in foreign assets of the Reserve Bank) in contrast to a moderate surplus in balance of payments in the preceding busy season.

10. Scheduled bank credit recorded a sharp expansion of Rs. 139 crores (from Rs. 985 crores to Rs. 1,124 crores), or by 14.1 per cent as compared to a rise of Rs. 82 crores or 9.1 per cent in the previous accounting year, although the expansion in deposits (Rs. 227 crores) was somewhat lower than in 1958-59 (Rs. 234 crores). On the basis of annual average figures, the increase in bank credit during the accounting year was relatively much sharper than in the preceding year, the rise in 1959-60 being Rs. 98 crores as compared to Rs. 24 crores in 1958-59. The contraction in bank credit in the 1959 slack season (May-October) was considerably smaller (Rs. 79 crores) than in the 1958 slack season (Rs. 118 crores). The expansion in bank credit in the 1959-60 busy season (November-April) was also slightly larger (Rs. 189 crores) than the expansion of Rs. 182 crores in the 1958-59 busy season. Over the year, the credit-deposits ratio rose from 56.7 per cent to 57.2 per cent; these figures would be higher if P. L. 480 funds are excluded being of the order of 70 per cent.

11. Secured advances accounted for the entire rise (Rs. 139 crores) in bank credit in 1959-60 as against 79 per cent (Rs. 65 crores) of the rise in bank credit in 1958-59. With the exception of 'industrial raw materials,' which recorded a decline, all the major groups recorded a larger increase than in 1958-59; in the case of the food articles group, the rise was wholly on account of sugar and

gur, reflecting the substantial increase in sugar output in 1959-60. Excluding sugar and *gur*, advances against other food articles in fact recorded a fractional decline as against a rise of Rs. 9 crores in 1958-59.

12. The rise of Rs. 227 crores (to Rs. 1,964 crores) in aggregate deposit liabilities during the accounting year was more or less the same as in 1958-59 (Rs. 234 crores). Demand liabilities recorded a larger rise, namely, Rs. 34 crores, as compared to Rs. 7 crores in 1958-59. A significant portion of the rise in time liabilities represented, as in the previous year, the accrual to the U.S. Government's balances in India of counterpart funds arising from P. L. 480 imports.* The gilt-edged portfolio of scheduled banks rose by Rs. 104 crores, which was smaller than the rise of Rs. 149 crores in 1958-59. Nevertheless, the investment-deposits ratio rose from 36.6 per cent to 37.7 per cent. The rather sharp rise in cash reserves of Rs. 17 crores, as against the decline of Rs. 0.4 crore last year, was the result of the raising of statutory reserve requirements. There has, however, been a progressive decline in the cash ratio of banks during the last two years, the average ratio falling from 8.8 per cent for the accounting year 1957-58 to 7.7 per cent for 1958-59 and further to 6.8 per cent for 1959-60. Borrowings from the Reserve Bank also recorded a sizeable increase of Rs. 38 crores in contrast to the decline of Rs. 12 crores in 1958-59. Total borrowings from the Reserve Bank at the end of June 1960 amounted to Rs. 40.25 crores. Of this, Rs. 26.71 crores were against Government securities and Rs. 13.54 crores against usance bills; the corresponding figures as at the end of the previous year were Rs. 1.22 crores and Rs. 1.45 crores, respectively. In view of the large increase in the borrowings from the Reserve Bank, the net balances of scheduled banks with the Reserve Bank (i.e. balances with the Reserve Bank less borrowings from the Reserve Bank) showed a decline of Rs. 19 crores to Rs. 69 crores over the year.

*With effect from May 12, 1960, the P. L. 480 counterpart funds which till then were being deposited into the U.S. Government Account with the State Bank of India, New Delhi, are being deposited into a new account opened by the U.S. Government with the Reserve Bank's New Delhi Office. Arrangements have also been made by the U.S. Government for the transfer to the Reserve Bank of past accumulations of P.L. 480 funds with the State Bank of India in monthly instalments of Rs. 12 crores each, commencing from July 1960.

Variations in Main Items of Scheduled Bank's Data

(Crores of rupees)

		Out- standing at end- June 1957	Variations during the Reserve Bank's accounting years			Out- standing at end- June 1960	Seasonal Variations			
			1957-58	1958-59	1959-60		Slack Season of 1958	Busy Season of 1958-59	Slack Season of 1959	Busy Season of 1959-60
A. LIABILITIES										
1. Demand liabilities		714	+18	+7	+34	772	-70	+66	-53	+70
2. Time liabilities		549	+223	+227	+194	1192	+134	+50	+160	+61
3. Aggregate deposit liabilities		1262	+240	+234	+227	1964	+64	+116	+106	+131
4. Borrowings from the Reserve Bank of India		62	-47	-12	+38	40	-18	+25	-13	+30
B. ASSETS										
1. Cash Reserves		122	+16	—	+17	156	+14	-15	-21	+30
(a) Cash on hand		44	—	+4	-1	47	-2	+4	-5	+10
(b) Balances with the Reserve Bank of India		79	+17	-5	+18	109	+16	-18	-16	+19
(i) Statutory minimum		47	+7	+5	+41	100	—	+4	+1	+20
(ii) Excess		31	+10	-9	-23	9	+16	-22	-17	-1
2. Net balances with the Reserve Bank of India [B1(b)—A4]		17	+64	+8	-19	69	+33	-43	-3	-10
3. Investments in Government Securities		333	+155	+149	+104	740	+175	-3	+178	-52
4. Bank Credit		918	-15	+82	+139	1124	-118	+182	-79	+189

Advances of Scheduled Banks against Principal Types of Security

(Amount in crores of rupees)

	Absolute Variations during		Percentage Variations during		Outstanding as on
	1958-59	1959-60	1958-59	1959-60	June 24, 1960
1. Food Articles	+ 1	+ 26	+ 1	+ 30	112
Of which Sugar and Gur	(—3)	(+ 26)	(—15)	(+ 57)	(72)
2. Industrial Raw Materials	+ 12	+ 11	+ 11	+ 9	111
3. Plantation Products	+ 1	+ 9	+ 2	+ 22	51
4. Manufactures and Minerals	+ 23	+ 61	+ 7	+ 22	346
5. Other Securities	+ 30	+ 54	+ 12	+ 19	338
6. Total Secured Advances	+ 65	+ 139	+ 9	+ 17	958
7. Clean Advances	+ 17	..	+ 12	—	166
8. Total Credit	+ 82	+ 139	+ 9	+ 14	1,124

13. The short-term money market tended to rule generally easy during the first five months of the year, due mainly to the high rate of accrual of deposits. Later, with the progress of the busy season, stringent conditions emerged which continued through June. The inter-bank call money rate in Bombay declined from 1-3-50 per cent in June 1959 to touch a low of 0-75-2-50 per cent in November 1959 but firmed up to 3-50-4-13 per cent by April 1960 and closed for the year at 3-50 per cent. In Calcutta, the inter-bank call rate touched a low of 0-75-3-75 per cent in August 1959 and after fluctuating both ways, closed for the year at a high range of 3-50-4-00 per cent. An event in the short-term money market was the reduction by $\frac{1}{4}$ per cent made in the ceilings for rates on deposits (other than inter-bank deposits), fixed under the voluntary agreement entered into in October 1958 by major Indian and foreign banks. With effect from September 1, 1959, the maximum rate of interest payable on deposits at seven days' notice and term deposits under three months was lowered to $3\frac{3}{4}$ per cent and that for deposits of three months and more was lowered to $3\frac{1}{4}$ per cent.†

14. **Government Finance.**—Owing mainly to substantial external assistance and improved tax receipts, the strain on Government finances has tended to ease in the last two years or so, despite continued rise in Plan outlay. This outlay rose sharply from Rs. 634 crores in 1956-57 to Rs. 882 crores in 1957-58 and further to Rs. 998 crores in 1958-59 and is estimated at Rs. 1,006 crores in 1959-60, but the overall budgetary deficit of the Centre and States has declined progressively from Rs. 496 crores in 1957-58 to Rs. 139 crores in 1958-59 and further to Rs. 113 crores in 1959-60. For 1960-61, the Plan outlay is estimated at Rs. 1,080 crores and the overall budgetary deficit at Rs. 160 crores.

15. Net market borrowings of Central and State Governments during 1959-60 (April-March) amounted to Rs. 175 crores as compared to Rs. 227 crores in 1958-59. Net absorption of Government securities by the public, i.e. excluding the Reserve Bank and Governments, at Rs. 143 crores was also smaller by about Rs. 50 crores than in 1958-59, but, in both the years, the investment of P. L. 480 counterpart funds contributed materially to Government borrowings. Net borrowings of the Central Government in 1959-60 amounted to Rs. 107 crores as compared to Rs. 181 crores in 1958-59. Reference was made in the last year's Report to the two cash-cum-conversion Central Government loans floated in July 1959, total subscriptions to which amounted to Rs. 184 crores, of which Rs. 90 crores were on account of conversion. In October 1959, the Central Government created two further issues, namely, the $3\frac{1}{4}$ per cent Bonds 1969 and the $3\frac{3}{4}$ per cent Loan 1974 for Rs. 25 crores and Rs. 20 crores, respectively, both of which were initially taken up by the Reserve Bank of India for subsequent sale to the market. Also, Treasury bills amounting to Rs. 150 crores held by the Reserve Bank of India in the Issue Department were funded in December 1959 into further issues of $3\frac{1}{4}$ per cent Bonds 1962, $3\frac{1}{4}$ per cent National Plan Bonds 1965 (Second Series), $3\frac{1}{4}$ per cent National Plan Bonds 1967 (Third Series), $3\frac{1}{2}$ per cent Loan 1968 and $3\frac{1}{4}$ per cent Bonds 1969.

16. All State Governments except Jammu and Kashmir entered the market during 1959-60, for an aggregate borrowing of Rs. 63·5 crores including a further issue of Rs. 2 crores in January 1960 by the Madhya Pradesh Government. Most of the loans were over-subscribed, the total subscriptions amounting to Rs. 162·38 crores, of which Rs. 69 crores (including conversions amounting to Rs. 0·57 crore) were accepted. Net market borrowings of State Governments during 1959-60, taking into account cash repayments of Rs. 1 crore, amounted to Rs. 68 crores as compared to Rs. 46 crores in 1958-59. Sales of Central Government Treasury bills (including 'intermediates') to the public brought in only Rs. 0·7 crore.

17. Gross market borrowings of the Centre for 1960-61 are placed at Rs. 250 crores, including receipts from the Five-Year Interest-free Prize Bonds which have been on sale from April 1, 1960. Net market borrowing (taking into account cash repayments of Rs. 109 crores is put at Rs. 141 crores. The Central Government floated on July 18, 1960, two new cash-cum-conversion loans for a total sum of Rs. 175 crores, namely the $3\frac{1}{4}$ per cent Bonds 1966 at Rs. 99·75 per cent and the 4 per cent Loan 1980 at Rs. 99·90 per cent. The $2\frac{1}{2}$ per cent Loan 1960, the 4 per cent Loan 1960-70 and the 2½ per cent Hyderabad Loan 1955-60 were accepted for conversion into the new loans. The loans were fully subscribed, the total subscriptions amounting to Rs. 130·30 crores, of which

†Effective August 16, 1960, the maximum interest rate on deposits at seven days' notice has been further reduced to 3 per cent and that on term deposits under 3 months to $3\frac{1}{4}$ per cent.

cash subscriptions constituted Rs. 106.05 crores. Twelve State Governments have announced their decision to issue on August 29, 1960, market loans aggregating Rs. 75 crores for 1960-61; net market borrowing, taking into account repayment of maturing loans of Rs. 13 crores, would amount to about Rs. 62 crores.

18. Total receipts of small savings in 1959-60 (April-March) amounted to Rs. 84 crores (provisional) or about Rs. 5½ crores larger than in 1958-59, but Rs. 1 crore smaller than the budget estimate. The budget estimate for 1960-61 is placed at Rs. 90 crores. In view of the importance of mobilising small savings, Government have been continually keeping under review the organisational and other measures for intensification of the small savings drive. Further steps were taken in this direction during the year including (i) offer of a new denomination of Annuity Certificates to facilitate investment by smaller investors, (ii) enactment of legislation with a view to providing the facility of nomination to depositors in Post Office Savings Bank and to holders of Post Office Savings Certificates, Ten-Year Treasury Savings Deposit Certificates, and Fifteen-Year Annuity Certificates, (iii) extension to most of the head and sub-post offices transacting savings bank work, of the facility of withdrawal by cheque, (iv) the decision by Government to pay 3½ per cent simple interest per annum on Postal Savings Certificates and Treasury Savings Deposit Certificates retained after maturity for a period not exceeding five years, (v) the amendment of Public Debt Rules, 1946 making the Ten-Year Treasury Savings Deposit Certificates transferable by deed, and (vi) the introduction of a Pay Roll Scheme permitting voluntary deductions from wages of employees in large establishments for investment in small savings. During the year, a new medium of saving was offered, namely, the Five-Year Interest-free Prize Bonds with effect from April 1, 1960. The response so far has been encouraging, the sales upto the end of June 1960 amounting to a little over Rs. 9 crores (provisional). It has since been decided to give 50 per cent of the collections from Prize Bonds within a State to the State concerned.

19. **Capital Market.**—The capital market not only maintained its buoyant tone noticed since last year but also developed an unusual brilliance judging from the behaviour of share prices, the rise in turnover and the amount of new issues as well as the large premia on some of them even before allotment. While the prevailing conditions reflected in part a growing optimism in regard to prospects of industries and a broadening of investment interest in shares, a part of the rise in share values was also due to unhealthy speculative activity reflecting excess liquidity in the economy. The upswing in share prices, noticed since January 1959, generally continued during the year under review. The Reserve Bank's index of variable dividend industrial securities (base: 1952-53=100), which rose from 151.0 at the end of June 1959 to 168.8 prior to the imposition of credit curbs in March 1960, dropped temporarily to 161.7 on March 26 but moved up thereafter to touch an all-time peak of 175.9 on June 4 and stood at 175.4 on June 25, 1960. Over the year the index showed a rise of 15.8 per cent on top of a rise of 13.4 per cent in the preceding year.

20. With a view to restraining speculation financed by bank credit, the Reserve Bank imposed, in March 1960, minimum margin requirements in respect of scheduled bank advances against shares and prohibited direct *budla* activity on the part of banks (see para 30). Some of the stock exchanges, *viz.*, Bombay, Ahmedabad and Madras, also took action to tighten up their own margin system.

21. The gilt-edged market ruled generally firm till early November 1959, reflecting mainly the easy money conditions prevailing during this period. The loan flotations of the Central Government amounting to Rs. 175 crores in July 1959 and of the State Governments aggregating Rs. 61.5 crores in August 1959 were absorbed without strain. With the emergence in November of stringent conditions, the gilt-edged market became quiet and continued so for the rest of the year. The recent credit squeeze measures and, in particular, the impounding of additional deposits accruing to banks, have also contributed to the easing of the gilt-edged market. The Reserve Bank's index of prices of Government of India securities (base: 1952-53=100) rose from 100.7 at the end of June 1959 to 101.6 by early November but subsequently tended to ease and stood at 100.9 by June, 25, 1960. The trend of the Reserve Bank's open market operations continued to be one of net sales during most of the year, though the volume of such sales recorded a decline to Rs. 66 crores as compared to Rs. 100 crores in 1958-59 and Rs. 70 crores in 1957-58. As regards yields, the average yield for the year on both short-dated and long-dated loans showed rises of about 0.10 per cent and about 0.05 per cent, respectively, while that on medium-dated loans declined by about 0.05 per cent.

22. Balance of Payments.—The improvement in India's balance of payments position noticed last year was generally sustained during the year under review, with a loss in foreign exchange reserves* of only Rs. 30 crores, which, although somewhat larger than in 1958-59 (Rs. 15 crores), was appreciably smaller than the very heavy drafts of Rs. 235 crores in 1957-58 and Rs. 230 crores† in 1956-57 (July-June). Between July 1959 and December 1959, the foreign exchange reserves, in fact, rose from Rs. 356 crores to Rs. 388 crores but since then, however, they tended to decline, touching a low of Rs. 326 crores by June 30, 1960. But for the special payments during the year of Rs. 52 crores to the I.M.F. partly in gold on account of our increased subscription and partly in dollars for the repurchase of rupees held by that institution, the reserves would have shown a moderate gain of Rs. 22 crores.

23. The deficit on current account during the first nine months of the year, for which details are available, was Rs. 104 crores as compared to Rs. 218 crores in the corresponding period of the previous year, due mainly to a fall in imports (Rs. 79 crores) entirely on Government account, and partly to a rise in export earnings. The fall in imports affected all groups except raw materials which rose from Rs. 90 crores to Rs. 123 crores. The rise in raw material imports reflected the expanding character of maintenance imports required to sustain domestic production. Export earnings improved by Rs. 38 crores (to Rs. 487 crores) during the period, aided mainly by the economic recovery abroad as well as the abatement of Chinese competition in respect of cotton textiles. Among the exports which recorded noticeable rises were cotton manufactures, vegetable oils and oil-cakes, and tanned hides and skins.

24. A number of measures were taken during the year to further intensify the export promotion drive. Export incentive schemes on the lines of the Cotton Textile Export Incentive Scheme (referred to in the last year's Report), were extended to cover woollen goods, textile fabrics containing more than one fibre, and vanaspathi, whereby exporters were granted import licences for raw materials and accessories required by them, upto a specified percentage of the f.o.b. value of their exports. These, as well as the various schemes introduced earlier, were also modified to permit import of additional items, and a larger number of exporters was brought within their ambit. The quantitative restrictions on exports of silver ores and concentrates, woollen yarn, wool waste, pull-through cloth were abolished and those on certain non-essential vegetable oils, oilseeds and oil-cakes were suspended. Exporters of manganese ore, bicycles and parts, and certain engineering items were granted rebates on railway freight, and the tea industry was accorded concessions in respect of fertilisers and transport.

25. The volume of external assistance has been considerably stepped up following the meetings convened by the I.B.R.D. in August 1958 and March 1959 of five nations, namely, the U.K., U.S.A., Japan, Canada and West Germany, referred to in last year's Report. The total external aid available during the Second Plan period upto June 1960, including a carry-over of about Rs. 191 crores from the First Plan, amounted to Rs. 2,206 crores, out of which about Rs. 1,035 crores was estimated to have been utilised upto March 1960. The utilisation of aid during the nine months ended March 1960 (Rs. 216 crores) was lower than in the corresponding period of 1958-59 (Rs. 277 crores).

26. The I.B.R.D. sponsored the visit in February 1960 of three eminent bankers, Sir Oliver Franks, Mr. Hermann J. Abs and Mr. Allan Sproul. Their report recommended, among other things, that external assistance must consist substantially of grants or loans not based on strictly commercial terms. The Finance Minister's tour of European countries also contributed to the creation of a favourable climate for foreign aid. Among the significant developments in the field of external assistance were the conclusion of a Four-Year Agreement by the Government of India with the Government of the U.S.A. for import of 17 million tons of foodgrains under P. L. 480, a credit of \$30 million by the Government of West Germany, a line of credit amounting to \$89.2 million from the U.S. Development Loan Fund, and the announcement by the Government of the United Kingdom of a loan of £10 million. The investment climate for foreign investors would also appear to have improved judging by the fact that approvals granted for foreign investments in 1959 amounted to Rs. 33 crores (Rs. 19 crores exclusive of approvals merely involving transfer of existing non-resident investment from

*Comprising (i) gold and foreign assets held by the Reserve Bank and (ii) Government balances held abroad.

†After taking credit for I.M.F. assistance of Rs. 95 crores.

one unit to another) as against Rs. 13 crores each in 1957 and 1958. This has been due, in no small measure, to Governmental measures which included the conclusion of double taxation avoidance agreements with capital-exporting countries like the U.S.A., West Germany and Japan, participation in the U.S. Government scheme for insurance cover against risks of expropriation, nationalisation, etc., of American investments in India and simplification of industrial licensing procedures, etc. Mention may also be made here of the conclusion of an Agreement on June 20, 1960, between the Governments of India and the U.S.A. for establishing an Indian Investment Centre with headquarters in New Delhi, with a view to promoting foreign private investment in India and providing a medium for collaboration of foreign and Indian business through provision of advice, information, etc.

27. Monetary and Credit Policy.—The forgoing analysis of the Indian economy during the year highlights the fact that the buttressing of selective controls by quantitative restrictions was warranted not only by the inherent limitations of selective controls but also by indication that the expansion of aggregate monetary demand has been one of the important inflationary factors at work. This called for the employment, for the first time, of the weapon of variation in the statutory reserve requirements, an instrument which is well adapted for use in the institutional and structural framework of the banking system in India. There was, however, no change in the lending rates of the Bank and, as in the previous year, open market operations were also continuously employed to absorb the excess reserves of the banking system. The ambit of the existing selective credit controls was further extended during the year to include all oilseeds (other than cotton seed) and advances against shares and clean (i.e., unsecured) advances. While there has thus been an enlargement of the sphere of operation of selective credit controls and their strengthening by other instruments, the Bank's policy has continued to be operated consistently with the requirements of a developing economy.

28. The effectiveness of monetary policy cannot be assessed precisely by reference to the behaviour of general and sectional price levels which are dependent upon a variety of other factors bearing both on aggregate and individual demand and supply position. Thus, to the extent that foodgrains stocks are self-financed or privately financed, the role of bank finance is comparatively negligible. However, even after taking into account the existence of a substantial non-monetised sector and a fairly large unorganised sector of the money market, monetary policy has a useful role to play in the maintenance of price stability.

29. The details of the credit restraint measures taken during the year may now be given. The controls on foodgrain advances were made more flexible during the year in keeping with the changes in Government programmes of procurement and formation of food zones. A directive was issued on July 10, 1959, under which the existing margin requirement of not less than 40 per cent in respect of all foodgrain advances was to continue but subject to a minimum of 25 per cent in regard to credit against paddy and rice to purchasing agents of the Government of Orissa and in respect of credit against wheat to storage delivery contractors operating on behalf of the Punjab Government. Under this directive, the average aggregate level of credit against foodgrains which a bank may maintain was also re-fixed (i) on a State-wise basis for major States and (ii) separately for (a) paddy and rice, (b) wheat and (c) other foodgrains. A further directive was issued on January 16, 1960, reclassifying bank offices into three groups, namely, offices in (1) Andhra Pradesh, (2) Madhya Pradesh, and (3) all other States and requiring the maintenance of credit against paddy and rice by offices in each group at a level not exceeding the permissible level for the corresponding months of 1958 or 1959 whichever was higher. Exemptions in respect of new offices were also liberalised somewhat. In December 1959, the control on advances against groundnuts was further tightened and was extended to cover all oilseeds except cotton seeds. The margin requirements on groundnuts were left unchanged but ceiling limits were fixed at 90 per cent of the average outstanding credit in the corresponding months of the previous three years, with additional limits related to unutilised portions of export quotas of H.P.S. groundnuts and groundnut oil. The control on other oilseeds (excluding cotton seed) was confined to a prescription of a minimum margin of 40 per cent of the value of the seeds. Vanaspathi manufacturers, exporters of oilseeds and credit against warehouse receipts were exempted from the minimum margin requirements.

30. With a view to meeting the situation arising from the marked expansion in money supply and bank credit and their impact on the stock and commodity markets as well as on the general price level, the Reserve Bank announced, on

March 11, 1960, a series of further credit restraint measures which, while tightening the existing selective credit controls, also included resort, for the first time, to the instrument of variable reserve ratios. These measures included (i) the imposition of a minimum margin of 50 per cent in respect of advances by scheduled banks against ordinary shares, above an amount of Rs. 5,000, (ii) a ban on direct financing of *budla* transaction by scheduled banks through purchase of shares in their name for the current settlement and sale for the next settlement, (iii) fixation of a ceiling on clean (i.e., unsecured) advances so that the ratio of clean advances to total advances in any month was not to exceed the corresponding ratio in 1959 and (iv) the impounding, in the form of additional deposits with the Reserve Bank, of 25 per cent of the addition to the demand and time liabilities of scheduled banks, after March 11, 1960, over and above the deposits hitherto required, namely, 5 per cent of demand liabilities and 2 per cent of time liabilities. Interest was to be paid every quarter on these additional reserves at the same rate as the average rate of interest paid by the scheduled bank on its total deposits for the corresponding quarter, but not exceeding the Bank rate. These measures were further reinforced on May 5, 1960, when the Bank raised the quantum of additional deposits which scheduled banks are required to maintain with the Bank from 25 per cent to 50 per cent effective May 6, 1960. Under this notification, the interest payment to banks on additional deposits was to be made each half-year instead of each quarter; subsequently, on June 29, the Reserve Bank decided that with effect from July 1, 1960 the interest thus payable will be at $\frac{1}{4}$ per cent above the average rate of interest paid for the half year by the scheduled bank concerned on its total deposits, subject to a maximum of $\frac{1}{2}$ per cent. On July 2, 1960 the provisions of the notification issued on May 5, 1960, were partially modified to exclude inter-bank borrowings from total liabilities for calculation of additional reserves and to stipulate that no bank will be required to maintain additional reserves exceeding 50 per cent of the increase in liabilities since March 11, 1960, the latter provision being intended to provide relief to banks which experience a decline in deposits subsequent to May 6, of more than 50 per cent of the rise between March 11 and May 6.

31. As in the last few years, commercial banks were informally advised to restrain credit expansion generally and in particular to ensure a satisfactory reduction of credit in the slack season. On May 8, 1960, the Governor issued a circular calling upon banks to effect a reduction of Rs. 110 crores or slightly less than 10 per cent in bank credit in the 1960 slack season with due regard to credit requirements of the expanding productive sectors of the economy. The Bank also indicated to some of the bigger banks the broad order of contraction of credit which each of them could conveniently bring about.

32. Further, the facility for borrowing from the Bank under the Bill Market Scheme was restricted for the slack season. Having regard to the fact that in the 1959-60 season 12 banks had borrowed under the Bill Market Scheme and that their maximum outstanding borrowing was only Rs. 15 crores, as compared to the sanctioned limit of Rs. 54 crores, the Bank decided to confine these advances during June–September 1960 to only such banks as had availed themselves of the Scheme in the 1959-60 season and also to restrict the relative credit limit to each bank to the maximum amount of its borrowings during last season upto May 9, 1960.

33. It is early yet to assess the impact of these various credit restraints. The margin of 50 per cent imposed in respect of advances by banks against ordinary shares became effective on March 11, 1960 only in respect of new advances, while in respect of existing advances it became effective only (a) on April 11, 1960 in the case of parties other than members of recognised stock exchanges and (b) on June 11, 1960 in the case of members of recognised stock exchanges. Advances against shares which had risen continuously from Rs. 72.64 crores in August 1959 to Rs. 83.29 crores in March 1960, declined by Rs. 5 crores to Rs. 78 crores in the succeeding two months; they rose again to Rs. 82.08 crores in June 1960 but by mid-July recorded a decline to Rs. 80.87 crores. The trend in banks' unsecured loans has been downward, the outstanding amount of these falling from Rs. 189.40 crores in March 1960 to Rs. 165.87 crores in June; as of mid-July there was a rise to Rs. 173.53 crores. The percentage of unsecured loans to total advances in mid-July 1960 was 15 as compared to 17 a year earlier.

34. While thus, in particular sectors the credit curbs seemed to have worked in the desired direction, the impact of the variation in reserves on total bank credit has so far been limited. Although immediately following the raising of the reserve requirements in mid-March, the expansion of bank credit in the peak of the busy season was arrested, subsequently in the traditional slack season the rate

of contraction has so far been very small. An important objective of the measure, viz., a reduction in the excess liquidity of the scheduled banks was achieved but its effect was largely neutralised by the changes in the other assets and liabilities, that is, by a smaller reduction in borrowing from the Reserve Bank than is usual during this period and also by much smaller investment in Government securities. Between March 18 and August 5, the aggregate rise in scheduled banks' total liabilities amounted to Rs. 66 crores; as against the rise in total reserve requirements of Rs. 43 crores, the banks increased their balances with the Bank by Rs. 33 crores, the balance of Rs. 9 crores having been absorbed by a reduction in excess reserves to Rs. 10 crores. Simultaneously, their cash on hand was reduced by Rs. 19 crores. Thus, the free cash reserves of the scheduled banks (i.e. cash in hand plus excess reserves) declined by Rs. 29 crores. During the same period, the banks' borrowings from the Reserve Bank declined by Rs. 43 crores, but this was somewhat lower than the decline of Rs. 57 crores achieved in the corresponding period last year; also, the outstanding of such borrowing, on August 5, 1960, at Rs. 34 crores was about Rs. 30 crores higher than a year earlier. Moreover, the rise in investments in Government securities during this period was very small, being only Rs. 9 crores as compared to a rise of Rs. 100 crores in the corresponding period in the previous year. The lower rate of rise in scheduled banks' investments during this period was largely accounted for by a net decline in P.L. 480 deposits maintained with the State Bank, as against a sizeable rise in these deposits last year; it may be stated that the State Bank used to invest a large proportion of the accruals of P.L. 480 funds in Government securities. However, after making allowance for this factor there would have been net disinvestment by banks of Government securities in the current year. In the circumstances, although the liquidity position of the scheduled banks became tighter, the rate of contraction of credit has been smaller in the current slack season. Scheduled bank credit increased during the period March 18, 1960 to August 5, 1960 by Rs. 9 crores as against a decline, of Rs. 43 crores and Rs. 72 crores, respectively, in the corresponding periods of last year and the year before last. This is to be explained by the fact that the contraction of bank credit in the current slack season upto August 5, 1960 has been of the order of only Rs. 6 crores as against Rs. 67 crores in the corresponding period of 1959. The contraction of credit against seasonal commodities has been the same as in the last season, and in fact should have been larger but for the lengthening of the crushing season of sugar, which is an important seasonal item of credit. On the other hand, in contrast to last busy season there has been a steep rise in credit against non-seasonal items this year, mainly on account of the substantial rise in the rate of growth of industrial out-put.

35. The commencement of either the busy or slack season does not move in a set pattern from year to year, nor may one expect the decline in the slack season to be spread over evenly during the period. Even so, the rather slow contraction of credit in the 1960 slack season is a matter for concern and it is imperative that banks take energetic steps to bring about a satisfactory contraction so that they may be in a position to meet the requirements of the next busy season without undue strain. Banks must also reduce their access to the Reserve Bank, if the recent credit restraint measures are not to be nullified.

36. Monetary policy, despite its recognised limitations generally and especially in a semi-developed economy like ours with a substantial currency component of money supply, has a positive role to play in facilitating the attainment of growth with stability. The techniques of credit regulation, however, have to be modified to suit the changing outlook of the economic scene, bearing in mind the needs of a developing economy.

37. **The Prospect.**—Fiscal and general economic policies are, in out context, even more crucial to the successful implementation of planned development. The Third Five-Year Plan, the draft outline of which has been published recently, calls for a significant increase of national effort to attain higher investment targets. A substantial increase in the rate of savings to national income (from 8 to 11 per cent) to match the increased rate of investment to national income (from 11 to 14 per cent) will be necessary. The Plan would, no doubt, depend vitally on the availability of a significantly larger volume of foreign assistance than in the Second Plan, especially in view of the comparatively low level of our foreign exchange reserves and the inadequacy of our foreign exchange re-earnings even to finance the level of maintenance imports. It is necessary to emphasise, however, the critical importance of securing much large internal resources for successful implementation of a bigger Plan. This problem poses a challenge to the nation, especially as it is manifest that the volume of deficit financing has to be restricted; the figure envisaged in the Plan is Rs. 550 crores as compared to

the likely actual of Rs. 1,175 crores in the Second Plan. A bold investment plan requires an equally bold and determined savings effort which, in concrete terms, means sacrifice by the community through postponement and curtailment of consumption. The precise manner in which this sacrifice is brought forth is a matter for careful consideration but clearly it will involve a much larger tax effort as also large investment in securities and saving instruments issued by Government as well as the private sector. The necessary corollary of this is economy and austerity in both public and private spending. The stabilisation of the cost of living is also imperative both for domestic reasons as well as for ensuring a cost price structure which will enable exports to be maintained at a level necessary for the Plan. All this has wide implications for general economic policies which will require to be assiduously worked out.

38. The institutional machinery for maximum mobilisation and canalising of savings into productive channels also needs to be continually strengthened. The Reserve Bank is aware of the immensity and urgency of the problem. The Bank has initiated action in this sphere in the past, but further steps will be necessary to adapt the machinery to the larger tasks ahead.

Banking Legislation

39. In the last year's Report, mention was made of the introduction in Parliament of (1) the Banking Companies (Amendment) Bill, 1959, (2) the State Bank of India (Subsidiary Banks) Bill, 1959, and (3) the State Bank of India (Amendment) Bill, 1959. During the year, these Bills were passed with certain modifications.

40. **The Banking Companies (Amendment) Act, 1959.**—The Banking Companies (Amendment) Bill, 1959, received the assent of the President of India on September 5, 1959, and was brought into force on October 1, 1959. Under the amended Act, the Reserve Bank is empowered to remove from office the chairman or any director or manager or chief executive officer of a banking company if such a person is or has been found by any tribunal or other authority to have contravened the provisions of any law and the Reserve Bank is satisfied that the association of such a person with the banking company is undesirable. The Bank is also empowered to prohibit such a person from taking part in the management of any banking company for such period not exceeding five years as the Bank may think fit. A banking company may now pay dividends on its shares without writing off (a) the depreciation, if any, in the value of its investments in approved securities provided such depreciation has not been capitalised or otherwise accounted for as a loss, (b) the depreciation, if any, in the value of its investments in shares, debentures or bonds in any case where adequate provision for such depreciation has been made to the satisfaction of the auditor of the banking company, and (c) the bad debts, if any, in any case where adequate provision for such debts has been made to the satisfaction of the auditor of the banking company. Some degree of flexibility in regard to the maintenance and use of the reserve fund is also now introduced; until the amendment came into force, the reserve fund had to be maintained intact and could not be drawn upon even for the purposes for which it was originally intended. Provision has also been made for inspection by the Reserve Bank of the foreign branches of Indian banks as well as their subsidiaries formed for the purpose of carrying on banking business exclusively outside India. The Reserve Bank has been allowed to apply for the winding-up of a banking company under certain circumstances and the High Court is empowered to direct the winding-up of a banking company by the Court in a case where a company in voluntary liquidation is not in a position to pay its debts as they accrue or where the Court considers that the voluntary winding-up proceedings cannot be continued without detriment to the interests of the depositors.

41. **State Bank of India (Subsidiary Banks) Act, 1959.**—The State Bank of India (Subsidiary Banks) Bill, 1959, which provides for the constitution of eight major State-associated banks as subsidiaries of the State Bank of India received the President's assent on September 10, 1959. In pursuance of the provisions of this Act, the Bank of Bikaner, the Bank of Indore, the Bank of Jaipur, the Bank of Mysore, the Travancore Bank, the Bank of Patiala, the State Bank of Hyderabad and the State Bank of Saurashtra have been duly constituted as subsidiaries of the State Bank of India.

42. With the constitution of these subsidiaries, the branch expansion programme of the State Bank of India, which had hitherto been confined broadly to areas comprising the former Part A and Part C States, will be extended to the

areas of the former Part B States by the opening of branches of the subsidiary banks so as to achieve an integrated banking and treasury system covering the whole of India.

43. Steps are being taken for entrusting the cash work of Government treasuries and other agency functions to the subsidiary banks as agents of the State Bank of India at centres in the respective areas of operation where they have or propose to have branches.

44. An agreement between the Reserve Bank of India and the State Bank of India for the performance of agency functions was concluded on March 16, 1960. The agreement has principally been modelled on the lines of the agreement between the Reserve Bank and the erstwhile Imperial Bank and incorporates the changes that were considered necessary in the light of the provisions relating to agency functions contained in the State Bank of India and the State Bank of India (Subsidiary Banks) Acts and the Reserve Bank of India Act, as amended.

45. **The State Bank of India (Amendment) Act, 1959.**—The State Bank of India (Amendment) Bill, 1959, which received the President's assent on August 28, 1959, seeks to simplify the procedure in regard to the taking over of the business of any banking institution which the State Bank acquires through negotiations under Section 35 of the State Bank of India Act and also to facilitate the orderly winding-up of the banking institution whose business is so acquired by the State Bank.

46. **The Reserve Bank of India (Amendment) Act, 1960.**—Mention may also be made here of the passing on April 30, 1960, of the Reserve Bank of India (Amendment) Act, 1960, which empowers the Reserve Bank to act as agent for the Central Government in guaranteeing the due performance, by any small-scale industrial concern approved by the Central Government, of its obligations to a bank or other financial institution in respect of loans and advances made to it by such bank or other financial institution and the making, as such agent, of payments in connection with such guarantee. The Amendment Act also authorises the Bank to extend the facility of medium-term loans (for periods not exceeding 18 months) to the State Financial Corporations and also to such other financial institutions as may be notified by the Central Government in this behalf, provided the total amount of loans thus granted to any one Corporation or financial institution does not, at any time, exceed 60 per cent of the paid-up share capital thereof.

Banking Development

47. The Reserve Bank continued to play a prominent part in the development of institutional credit for agriculture and industry. In promoting such development it has also been associated with institutions, such as the State Bank of India, besides the whole of the co-operative credit structure.

48. **State Bank of India.**—The State Bank of India opened 105 branches during the year, raising the total number since its constitution to 416, thus exceeding the target of 400 additional branches within the stipulated period of five years (July 1955 to June 1960). Of the 416 new branches, 340 are in rural and semi-urban areas, i.e., at places having a population of 30,000 or less.

49. **Industrial Finance Corporation of India.**—During the year, loans and advances of the Industrial Finance Corporation of India recorded a further increase of Rs. 4.93 crores as compared to a rise of Rs. 4.61 crore in the previous year. The amount outstanding at the end of June 1960 was Rs. 38.28 crores. The Corporation approved applications for Rs. 7.87 crores for guaranteeing deferred payments in respect of imports of machinery and equipment and also underwrote a 7 per cent tax-free cumulative redeemable preference share issue for Rs. 50 lakhs, besides giving consent to underwrite to the extent of Rs. 35 lakhs, two other preference issues. The Corporation further augmented its resources during the year by Rs. 5.49 crores through the issue in October 1959 of 4 per cent bonds 1971 at an issue price of Rs. 99.75 per cent. The amount of bonds outstanding at the close of June 1960 aggregated Rs. 22.24 crores. The Corporation's outstanding borrowing from the Central Government amounted to Rs. 13.25 crores at the end of June 1960 as against Rs. 13 crores at the end of June 1959.

50. **State Financial Corporations.**—Loans and advances of the State Financial Corporations recorded a rise of Rs. 2.52 crores as compared to Rs. 2.21 crores in 1958-59. During the year, two Corporations, namely, Assam and West Bengal, augmented their resources through the issue of bonds to the extent of Rs. 1.05 crores.

51. With the establishment, during the year, of two more Corporations, one in Jammu and Kashmir and the other in Gujarat, each of the 15 States in India has now its own Corporation. In terms of Section 37A of the State Financial Corporation Act, 1951, the Reserve Bank has completed the first round of inspections of all the State Financial Corporations except (1) the above-mentioned two which are still in the formative stage and (2) the Mysore Corporation which has only recently commenced loan operations. Five Corporations have also been inspected for the second time.

52. **Credit Facilities to Small-scale Industries.**—Under the State Bank of India scheme for the co-ordinated provision of credit facilities to small-scale industries, which was initiated in April 1956 and extended to all its branches with effect from January 1, 1959, the number of units assisted and the limits sanctioned at all centres of the Bank rose from 979 and Rs. 303 lakhs as on June 30, 1959 to 1,963 and Rs. 583 lakhs as on June 30, 1960. The advances outstanding amounted to Rs. 245 lakhs as on June 30, 1960 as against Rs. 126 lakhs as on June 30, 1959. The small-scale industries assisted under the scheme are mainly located in 36 centres which have been selected for the purpose of intensive operation and these industries also account for the bulk of the amounts sanctioned and outstanding. During the year, the State Bank entered into agency arrangements with two State Financial Corporations, *viz.*, those of Punjab and Andhra Pradesh, whereby the Bank would act as the agent of these Corporations in connection with the provision of loans to small and medium-scale industries at centres where the Corporations have no branches.

53. A notable development in the sphere of financing of small-scale industries was the formulation by the Government of India in consultation with the Reserve Bank of India of a scheme for the guarantee of advances granted to small-scale industries with a view to providing a measure of protection to lending institutions against possible losses in respect of such advances. The Scheme, which has been drawn up in pursuance of one of the major recommendations made by the Seminar on Financing of Small-scale Industries in India held in July 1959 in Hyderabad, came into force from July 1, 1960 and will be reviewed after a period of two years. Its administration has been entrusted to the Reserve Bank which will give the guarantee as the agent of the Central Government. It will initially cover 22 approved districts and the guarantee facilities will be available to specified scheduled banks. State Financial Corporations and State Co-operative Banks and such other institutions as may be specified in this behalf. The Scheme will cover industrial units whose investment of a capital nature as indicated in the Scheme does not exceed Rs. 5 lakhs and the guarantee facility may be availed of in respect of advances for working capital or for acquisition of fixed assets and equipment, the advances being repayable on demand or on the expiry of a fixed period not exceeding seven years. The charge for providing guarantee cover has been fixed at the low rate of one quarter of one per cent per annum on the maximum amount of advances as sanctioned.

54. The Industrial Credit and Investment Corporation of India expanded its activities further during the year under review. It approved, during 1959, applications for a total of Rs. 8.41 crores—the largest amount in any year so far. The total financial assistance sanctioned by the Corporation since its inception in 1955 to the end of 1959 amounted to Rs. 20.40 crores. Of this, over 50 per cent were in the form of loans and guarantees amounting to Rs. 10.24 crores, Rs. 8.30 crores were by way of underwriting of ordinary and preference shares and debentures and the balance of Rs. 1.86 crores in the form of direct subscription to ordinary and preference shares. Of the Rs. 10.24 crores in the form of loans and guarantees, the share of loans in foreign currency accounted for Rs. 6.74 crores or 66 per cent.

55. During the year, the Refinance Corporation for Industry sanctioned eight applications for Rs. 1.22 crores (including one application for Rs. 6 lakhs received prior to July 1959), as against an amount of Rs. 3.04 crores sanctioned in respect of 13 applications in the previous year. The industries receiving assistance included cables and wires, sugar, staple fibre yarn, acids and fertilisers, chemicals and pharmaceuticals. Since its inception in June 1958 upto June 30, 1960, the Corporation received 21 applications for Rs. 4.31 crores from five member banks and the amount sanctioned was Rs. 4.26 crores. Out of the loans sanctioned, applications aggregating Rs. 21 lakhs were withdrawn by member banks, leaving a balance of Rs. 4.05 crores of which a sum of Rs. 1.36 crores was availed of up to the end of the year under report. With a view to enlarging its activities and making its operations more flexible, the Corporation has formulated, for consideration by the Government of India and the U.S. Technical Co-operation Mission,

certain proposals which include (i) the extension of the refinancing facilities to a larger number of banks without requiring them to become shareholders in the Corporation, (ii) the extension of the facilities to a larger number of industries and (iii) the removal of the present requirement that member banks should have a minimum spread of 1½ per cent between the rate at which they borrow from the Corporation and the rate at which they lend, thereby giving the banks discretion to fix lending rate subject to the approval of the Corporation. In view of the difficult foreign exchange position the Corporation has also made arrangements with the International Finance Corporation, Washington, and the Commonwealth Development Finance Company Ltd., London, under which these institutions have agreed to consider proposals for loans in foreign currencies from industrial concerns which have obtained rupee finance from the Corporation. Similar arrangements have also been made with the Industrial Credit and Investment Corporation of India for granting loans in foreign currencies from the funds which are available to it from the World Bank.

56. Co-operative Developmental Policy.—The main features of the schemes for co-operative development for 1960-61, drawn up by the various State Governments in consultation with the Government of India, the Planning Commission and the Reserve Bank, related, as in the previous years, to State participation in certain categories of cooperative institutions, revitalisation of small-sized credit societies, organisation of marketing and processing societies, construction of godowns and provision for the appointment of staff for co-operative departments and institutions.

57. Following one of the recommendations of the Conference of State Ministers of Co-operation held at Mysore in July 1959, the Government of India appointed a Committee on Co-operative Credit on September 5, 1959 to examine and make recommendations, among other things, in regard to (i) the measures necessary for increasing the borrowing power of primary credit societies so as to provide more effective credit for agricultural production plans and (ii) the desirability of State participation in the share capital of village societies. The Report of the Committee was submitted to the Government of India in May 1960 and is under examination. The Conference of State Ministers of Co-operation held at Shrinagar from June 14 to 16, 1960, in which the Reserve Bank also participated, discussed, among other things, this Report and also the Report of the Working Group on Co-operative Farming and Co-operative Development under the Third Five-Year Plan. The conclusions of the Conference are under examination by the Government of India.

58. The National Co-operative Development and Warehousing Board, set up under the Agricultural Produce (Development and Warehousing) Corporation Act, continued its work in connection with the provision of loans and subsidies, under the co-operative development plans, for purposes such as contribution to the share capital of marketing and processing societies, construction of godowns, etc. The Central Warehousing Corporation established warehouses at 16 centres during the year, bringing the total number of warehouses established so far by it to 27. The State Warehousing Corporations opened 105 warehouses during the year, the total number of such warehouses established so far being 157.

59. The Central Warehousing Corporation convened the Fourth All-India Conference of Warehousemen at Poona in September 1959 to review and assess the general progress of warehousing and allied matters including the simplification of procedures for grant of advances against warehouse receipts and co-ordination between warehouses and co-operative marketing societies. Reference was made in last year's Report to the exemption of advances against pledge of warehouse receipts of the Central and State Warehousing Corporations from the directives issued by the Reserve Bank restricting advances against foodgrains and groundnuts. Similar exemption was granted during the year under review in respect of advances against the pledge of warehouse receipts covering all oilseeds (other than cotton seed).

60. Turning to the operations of the Reserve Bank in the field of agricultural credit, loans amounting to Rs. 5.04 crores were sanctioned from the Bank's National Agricultural Credit (Long-term Operations) Fund to 13 State Governments to enable them to contribute to the share capital of co-operative credit institutions, of which 12 State Governments availed themselves of loans amounting to Rs. 4.93 crores. The total gross disbursements out of the above Fund since its inception in 1956 to June 30, 1960 (including loans to State Co-operative Banks and Central Land Mortgage Banks and the amount utilised for purchase of rural debentures,

referred to elsewhere in the Report) amounted to Rs. 31.27 crores; the total outstanding of these as on June 30, 1960 was Rs. 25.7 crores. The total amount transferred by the Bank to the credit of this Fund during the same period was Rs. 40 crores, including the transfer of Rs. 10 crores effected on June 30, 1960. As of the same date, the amount to the credit of the Bank's National Agricultural Credit (Stabilisation) Fund stood at Rs. 5 crores; so far, this Fund has not been drawn upon.

61. **Financial Accommodation to Co-operative Banks.**—The volume of finance provided by the Reserve Bank to State co-operative banks for seasonal agricultural operations and marketing of crops showed a further rise during the year. Nineteen State co-operative banks were sanctioned credit limits amounting to Rs. 93.55 crores at the concessional rate of 2 per cent below the Bank rate as compared to Rs. 65.43 crores sanctioned to 18 State co-operative banks during the previous year. The *outstandings* of loans from the Reserve Bank of India to State co-operative banks for financing seasonal agricultural operations and marketing of crops stood at Rs. 78.19 crores at the end of 1959-60 as against Rs. 56.27 crores and Rs. 40.47 crores at the end of 1958-59 and 1957-58, respectively. During the year, seven State cooperative banks were sanctioned *medium-term* loans out of the National Agricultural Credit (Long-term Operations) Fund also, at the concessional rate of 2 per cent below Bank rate, for agricultural purposes, amounting to Rs. 4.50 crores as against Rs. 4.52 crores sanctioned to nine State co-operative banks in 1958-59. The *outstandings* of these loans stood at Rs. 6.71 crores as against Rs. 5.77 crores a year earlier.

62. The Reserve Bank of India continued to subscribe to the debentures floated by central land mortgage banks, besides giving advice in regard to the terms and timing of such flotation. During 1959-60, four central land mortgage banks floated ordinary debentures amounting to Rs. 2.85 crores and varying in period of maturity from 8 to 20 years. It was not necessary for the Reserve Bank to take up any of these debentures as the series were fully subscribed to from other sources. As regards rural debentures, it was stated in the last year's Report that the Reserve Bank undertook to make a contribution to rural debentures issued by the central land mortgage banks, which was to be slightly more than the subscriptions received from the public, the proportion being 8:7. These debentures were to be issued in two sets, one for 7 years to be offered to the public and the other for 15 years to be taken by the Reserve Bank. During 1959-60, the Reserve Bank agreed to take up its share of debentures at par with interest at 4 per cent per annum. The central land mortgage banks of Saurashtra, Madras, Orissa and Andhra issued rural debentures of the total value of Rs. 70.75 lakhs and the Reserve Bank contributed Rs. 29.57 lakhs, in addition to a sum of Rs. 24.20 lakhs in respect of the rural debentures floated during the previous year.

63. During the year, credit limits aggregating Rs. 245.393 lakhs were sanctioned to 12 State co-operative banks under Section 17(2) (bb) or 4(c) of the Reserve Bank of India Act at the concessional rate of $1\frac{1}{2}$ per cent below the Bank rate for financing the production and marketing activities of weavers' co-operative societies.

64. Credit limits aggregating Rs. 45.00 lakhs were sanctioned during the year under review to two State co-operative banks on behalf of apex weavers' societies under Section 17(2) (a) or (4) (c) of the Reserve Bank of India Act at the Bank rate for financing *bona fide* commercial or trade transactions.

65. The Reserve Bank's Standing Advisory Committee on Agricultural Credit met three times during the year, some of the important subjects discussed at these meetings being those relating to (a) important aspects of co-operative development in Bihar, Jammu and Kashmir, Madhya Pradesh, Orissa and Uttar Pradesh, (b) policy regarding medium-term loans, (c) furnishing of audit reports by Central Banks and (d) investment of reserve funds by co-operative institutions.

66. Reference was made in the previous year's Report to a field study of urban co-operative banks and their working undertaken by the Bank's Agricultural Credit Department in conjunction with the Economic and Statistics Departments. The preliminary draft of this Report was completed during the year in collaboration with the Bank's Economic and Statistics Departments. The reports on the field studies of the credit needs of the fishery industry in Bombay, Kerala, and Madras, which were undertaken by the Agricultural Credit Department of the Bank were submitted to the Government of India together with suggestions on the pattern of organisation of fishermen's co-operatives for transmission to the State Governments concerned. The reports on the field studies of the leather industry at Agra and Madras and of the coir industry in Kerala were also submitted to the Government of India.

Supervision and Regulation of Banks

67. Inspection and Supervision of Commercial Banks.—The Reserve Bank continued to give close attention to the development of the banking system on sound lines through supervision and regulation of both commercial and co-operative banks. Seventy-one scheduled and 233 non-scheduled banks were inspected during the year. Of these, excepting two banks, one of which was inspected under Section 22 and the other under Section 45Q of the Banking Companies Act 1949, the remaining banks were all inspected under Section 35 of the Act. Besides, scrutinies of the affairs of six State-associated banks were undertaken in connection with their merger with the State Bank of India. Scrutinies of the affairs of three banks were also taken up in terms of Section 44A of the Banking Companies Act 1949 and of two banks under Section 44(1) of the Act.

68. During the year, periodical progress reports regarding the action taken by inspected banks for rectifying the defects pointed out to them in the Inspection Reports were called for from 212 banks. At the end of the year, as many as 296 banks were submitting such periodical progress reports on the basis of which further steps were taken to ensure speedy action. Also, wherever necessary, representatives of the banks concerned were called for informal discussions with a view to bringing to their attention important defects in the working of the institutions concerned and impressing upon them the necessity of taking appropriate steps for the improvement of their affairs. At the end of the year, there were 48 banks (20 scheduled and 28 non-scheduled) working under directions issued under Section 35A of the Banking Companies Act.

69. The total number of banks which held licences as at the end of the year was 66 as against 62 a year earlier. The deposits of these banks together with the deposits of the State Bank of India and its subsidiaries which do not require a licence account for about 94 per cent of the total deposits of all scheduled and non-scheduled banks in India. Licences were refused to five banks during the year bringing the total number of banks to which licences have so far been refused to 133.

70. Exemptions.—The exemption granted to all banking companies from certain provisions of the Banking Companies Act 1949, which enabled them to exclude from their liabilities their borrowings from the State Bank of India and the State Bank of Hyderabad and to treat as unencumbered the approved securities lodged with other banking companies to the extent they are not utilised for advances or other credit arrangements, has been placed on a permanent footing by the amendment of Section 24 by the Banking Companies (Amendment) Act, 1959 which came into force from October 1, 1959. In regard to the 13 banks exempted up to March 31, 1960 from Section 11 of the Banking Companies Act, 1949 (which prescribes minimum requirements in regard to paid-up capital and reserves) further exemption has been granted to 11 banks upto March 31, 1961 and to one bank upto September 30, 1960, and of the two banks exempted from Section 11 of the Act upto October 31, as a result of the reorganisation of States, one bank has been granted further exemption upto September 30, 1960.

71. Inspection of Co-operative Banks.—Two hundred and fifty-six co-operative banks, two apex handloom weavers' societies and 144 large-sized credit societies were inspected during the year, bringing the total number of inspections carried out so far to 1,020. The number of inspections was 67 in respect of State co-operative banks, 782 of Central co-operative banks, 11 of Industrial co-operative banks, 3 of sugar factories, 6 of central land mortgage banks, 4 of State handloom weavers' societies and 1 of the State marketing society and 146 miscellaneous societies.

72. Miscellaneous Matters Relating to Banking.—No bank applied for inclusion in the Second Schedule to the Reserve Bank of India Act during the year under review, but the position in respect of three banks was considered for inclusion in course of inspection. Of these, two banks were included in the Second Schedule after a regular inspection and the case of the remaining bank is under consideration. During the year, one bank was excluded on its amalgamation with another bank. The total number of banks in the Second Schedule at the end of the accounting year was 95.

73. The total number of offices of scheduled banks rose during the year by 259 to 4,060. Of the new offices opened, 27 were on account of the banks newly included in the Second Schedule; 87 of the new offices were opened during the year at places not formerly served by commercial banks.

74. Three schemes of amalgamations were sanctioned during the year under review in terms of Section 44A of the Banking Companies Act, 1949 and one scheme submitted by two non-scheduled banks was examined and the banks were asked to proceed with the usual formalities.

75. During the year under review, nine commercial banks, three in Madras, two in Mysore and one each in Rajasthan, Maharashtra, Uttar Pradesh and Kerala went into liquidation. Of these four were ordered to be wound-up by the Courts and the rest went into voluntary liquidation. The total deposits of the nine banks which went into liquidation amounted to Rs. 2.24 crores, representing hardly 0.1 per cent of the total deposits of scheduled and non-scheduled banks in India.

76. According to a representation made to the Bank, five Indian banks functioning in Pakistan have been declared as evacuees in that country by the Custodian of Evacuee Property, Lahore. As this is a breach of the letter and spirit of the Indo-Pakistan Agreement the matter has been taken up, at the instance of the Bank, by the Government of India with the Government of Pakistan. Certain clauses in the Pakistan Displaced Persons (Compensation and Rehabilitation) (Amendment) Ordinance 1959 which rendered ineffective the provisions of paragraph 6(a) of the Agreed Decisions on the Indo-Pakistan Agreement were also brought to the notice of the Government of India for making suitable representation to the Government of Pakistan.

77. **Education and Training.**—In keeping with its policy of organising and promoting the training and education of personnel for commercial banks and co-operative institutions, the Bank sponsored appropriate courses for different categories of personnel. The Bankers' Training College, which was founded in September 1954 under the auspices of the Reserve Bank, for imparting practical training in banking to the supervisory staff of commercial banks has so far conducted 28 courses in which 690 candidates have received training. The existing course at the College being designed for agents, managers and senior officers of commercial banks is an advanced course and the need has been felt for an intermediate type of course suited to the requirements of officials of commercial banks immediately below the managerial level such as sub-managers, accountants, etc. Accordingly, the Advisory Council of the Bankers' Training College decided in September 1959 to introduce an intermediate course with emphasis on subjects like ordinary banking operations, internal accounts and audit systems, aspects of branch organisation, etc. This course is expected to be inaugurated shortly.

78. A specialised eight weeks' industrial finance course for the supervisory staff of State Financial Corporations and of member banks of the Refinance Corporation for Industry commenced in July, 1960, at the Bankers' Training College. This was in implementation of a scheme formulated by the Bank following a suggestion made at the Fourth Conference of State Financial Corporations that the facilities of the College be made available for the purpose.

79. The scheme of training of co-operative personnel, both departmental and institutional, made further progress during the year. In the various courses conducted by the Central Committee for Co-operative Training at its Regional and Block Level Co-operative Officers' Training Centres, 76 senior officers, 195 intermediate officers, 623 block level co-operative officers, 353 officers for co-operative marketing, 82 officers for land mortgage banking and 5,494 junior co-operative officers were trained during the year.

80. The Bank organised the Third Central Banking Course, commonly called the SEANZA Course, at the Bankers' Training College, Bombay, during January-March 1960. This course was attended by 18 members drawn from 16 central banks. The directing staff of the Course was provided by the central banks of Australia, India, Japan, New Zealand, and Pakistan. The Course aims at providing a rounded training in different aspects of central banking organisation, policies and techniques to executives of central banks.

81. **National Tribunal on Wage Disputes in Banking Industry.**—An important development during the year was the decision made by the Government of India in March, 1960, to refer the disputes in the banking industry to a National Tribunal. The Bank Award, as modified by the Industrial Disputes (Banking Companies) Decision Act, 1955 which regulated the pay scales, allowances, etc., of employees in the commercial banks expired on March 31, 1959. Immediately thereafter notices of termination of the Award were served by the various employee organisations on the banks. The question of setting up a suitable machinery for resolving the disputes in the banking industry was examined by

the Government of India and, in August 1959, the Government convened a Tripartite Conference to explore the ways and means for settling the disputes in the industry. No definite conclusions were, however, reached at the conference. There was a general deterioration in the employer-employee relations in the banking industry and the employee-organisations demanded the appointment of a Commission by the Government of India under the Commission of Enquiry Act. This unrest manifested itself in the case of the State Bank of India in the form of a strike by that Bank's employees in March 1960 which lasted for about three weeks. Eventually, by its Notification No. S.O. 705 dated March 21, 1960, the Government of India referred, under the Industrial Disputes Act 1947, the disputes in the banking industry to a National Tribunal presided over by Shri Justice K. T. Desai for adjudication, and the matter is at present pending before that Tribunal.

82. The Reserve Bank of India was not governed by the Bank Award mentioned above. Hitherto, all matters relating to wage scale, allowances, etc., of the employees of the Reserve Bank were settled by direct negotiations with the Reserve Bank of India Employees' Association representing the staff in Classes II and III and the Reserve Bank of India 'D' Class Employees' Union representing the employees in Class IV. The last such agreement relating to the revision of pay scales was entered into with the Association/Union towards the end of 1954. The Reserve Bank employees also had been agitating for some time for a revision of their pay scales and other service conditions but the Bank postponed decisions pending the settlement of the dispute in the case of employees of the commercial banks and also pending the outcome of the recommendations of the Second Pay Commission. The employees of the Reserve Bank in the meantime submitted a charter of demands in June-July 1959, and as in the opinion of the Reserve Bank, the demands were so high that there was no likelihood of a meeting ground, the Bank referred the matter to the Government of India for appropriate action under the Industrial Disputes Act. By its Notification No. S.O. 707 dated March 21, 1960, the Government have directed the National Tribunal referred to above to adjudicate in this dispute also. The matter is at present pending before the National Tribunal.

Accounts and Other Matters

83. During the year under review, the Bank's income after making statutory and other provisions amounted to Rs. 47.57 crores and expenditure, which included the expenses of administration and provision of sundry liabilities and contingencies, to Rs. 7.57 crores. The net profit available for payment to the Central Government in terms of Section 47 of the Reserve Bank of India Act, was Rs. 40 crores, the same as in the previous year. The Bank's income during the year showed an increase as compared to last year, mainly due to increased earnings under (a) Interest on account of the funding of *Ad hoc* Treasury bills to the extent of Rs. 150 crores in December last and (b) Discount, owing to the increase in the average holdings of Rupee and Sterling Treasury bills.

84. An enhanced contribution of Rs. 10 crores, in place of the usual Rs. 5 crores, was made to the Bank's National Agricultural Credit (Long-term Operations) Fund, during the year under review, with the approval of the Central Government, as it was found that the balance in the Fund would not be sufficient to meet the objects for which the Fund was created. As in previous years, a sum of Rs. 1 crore was contributed to the Bank's National Agricultural Credit (Stabilisation) Fund.

85. Expenditure during the year rose by Rs. 31 lakhs mainly due to increase under the head "Establishment" and "Depreciation and Repairs to Bank Property" which is partly offset by the decrease under the head "Remittance of Treasure". The increase in expenditure under "Establishment" is mainly due to the augmentation of staff in the Agricultural Credit Department the Economic Department and the Statistics Department and other offices and that under the head "Depreciation and Repairs to Bank Property" due to depreciation charged for the first time on the Bank's Office buildings at Nagpur and New Delhi and Staff Quarters at Madras. The decrease under "Remittance of Treasure" is accounted for by the discontinuance of special Notes remittances to the Persian Gulf areas.

86. **Auditors.**—The Accounts of the Bank have been audited by Messrs. S. B. Billimoria and Co. of Bombay, Messrs. P. K. Ghosh and Co. of Calcutta and Messrs. Sastry and Shah of Madras, who were appointed by the Government of

India as auditors of the Bank by Notification No. F. 3(47)-BC/59 dated September 24, 1959, issued in exercise of the powers conferred by Section 50 of the Reserve Bank of India Act.

87. Composition of Central Board.—The Union Government appointed Shri M. V. Rangachari as a Deputy Governor of the Bank for a term of five years, as from March 1, 1960 *vice* Shri K. C. Ambegaokar whose term of office expired on February 29, 1960.

88. The Board place on record their high appreciation of the valuable services rendered by Shri K. G. Ambegaokar all through his connection with the Reserve Bank of India.

89. Shri B. Venkatappiah, whose term of office as Deputy Governor expired on June 30, 1960, has been reappointed by the Union Government as a Deputy Governor for a further period of five years with effect from July 1, 1960.

90. Shri J. R. D. Tata and Shri G. Parameswaran Pillai retired as Directors of the Central Board on the expiry of their term of office on January 14, 1960 but were renominated by the Union Government in terms of Section 8(1)(c) of the Reserve Bank of India Act.

91. The Union Government nominated, with effect from June 3, 1960, Shri L. K. Jha, I.C.S., to be a Director of the Central Board under Section 8(1)(d) of the Reserve Bank of India Act *vice* Shri A. K. Roy.

92. Meetings of the Central Board and its Committee.—Seven meetings of the Central Board were held during the year, four in Bombay and one each in Madras, Calcutta and New Delhi. The Committee of the Central Board held fifty meetings of which seven meetings were in Calcutta, four in New Delhi and the rest in Bombay.

93. Bank's Premises.—During the year under review the construction of the Bank's new office building at Madras, the Bankers' Training College and a few residential buildings at Bombay was completed and that of the Co-operative Training College at Madras taken in hand. The plans for new office buildings of the Bank at Kanpur and Bombay and the Co-operative Training College at Poona are under preparation, and the construction work of the buildings is expected to commence shortly. A plot of land has been purchased at Bangalore for construction of an office building. The question of providing additional residential quarters to the staff in Bombay as well as at other centres is engaging the Bank's attention.

94. Opening and Closing of Offices or Branches of the Reserve Bank of India and Changes in Organisation and Management.—During the year ended June 30, 1960, a Public Debt Office was established at Patna from April 11, 1960. The Note Cancellation Section at Tiruchirapalli was closed as from April 1, 1960.

RESERVE BANK OF INDIA

Balance Sheet as at June 30, 1960

ISSUE DEPARTMENT

LIABILITIES		ASSETS	
	Rs. nP.		Rs. nP.
Notes held in the Banking Department	46,19,51,271 00	A. Gold Coin and Bullion:—	
Notes in circulation	1829,43,03,768 00	(a) Held in India	117,76,02,749 97
Total Notes issued	1875,62,55,039 00	(b) Held outside India
		Foreign Securities	143,00,89,629 06
		Total of A	260,76,92,379 03
		B. Rupees Coin	128,45,77,038 58
		Government of India Rupee Securities	1486,39,85,621 39
		Internal Bills of Exchange and other Commercial Paper
Total Liabilities	1875,62,55,039 00	Total Assets	1875,62,55,039 00

BANKING DEPARTMENT

LIABILITIES			ASSETS		
	Rs.	nP.		Rs.	nP.
Capital paid-up	5,00,00,000	00	Notes	46,19,51,271	00
Reserve Fund	80,00,00,000	00	Rupee Coin	1,60,815	00
National Agricultural Credit (Long-term Operations) Fund	40,00,00,000	00	Subsidiary Coin	4,05,713	54
National Agricultural Credit (Stabilisation) Fund	5,00,00,000	00	Bills Purchased and Discounted:—		
			(a) Internal	
			(b) External	
Deposits:—			(c) Government Treasury Bills	6,57,68,273	50
(a) Government:			Balances held abroad*	17,19,07,021	91
(1) Central Government	57,36,97,751	18	Loans and Advances to Governments	31,20,82,175	90
(2) Other Governments	19,48,50,197	16	Other Loans and Advances	130,44,87,793	22
(b) Banks	113,23,28,247	80	Investments **	232,56,01,477	00
(c) Others	133,21,61,716	59	Other Assets	17,89,98,198	45
Bills Payable	17,52,49,809	95			
Other Liabilities	11,30,75,016	84			
Total Liabilities	482,13,62,739	52	Total Assets	482,13,62,739	52

Contingent liability on partly paid shares Rs. 4,06,66,666·67 (including sterling investments of £50,000 converted @ 1s. 6d.)

*Includes Cash and Short-term Securities.

**Includes £266,250 held abroad.

N. D. NANGIA,
Chief Accountant.

Dated August 10, 1960.

H.V.R. IENGAR,
Governor.

B. VENKATAPPAH,
Deputy Governor.

M.V. RANGACHARI,
Deputy Governor.

RESERVE BANK OF INDIA
PROFIT AND LOSS ACCOUNT

		FOR THE YEAR ENDED					
		June 30, 1960		June 30, 1959		June 30, 1958	
INCOME		Rs.	nP.	Rs.	nP.	Rs.	nP.
Interest, Discount, Exchange, Commission etc.		47,56,98,191	33	47,25,60,478	53	37,08,88,054	or
EXPENDITURE							
Establishment		3,99,90,211	06	3,78,09,386	14	3,42,60,182	35
Directors' and Local Board Members' fees and expenses		79,157	30	70,519	60	85,653	59
Auditors' fees		22,500	00	22,500	00	22,500	00
Rent, Taxes, Insurance, Lighting, etc.		21,46,682	16	19,29,808	41	16,71,817	66
Law Charges		47,296	40	1,09,229	73	18,575	35
Postage and Telegraph charges		3,44,744	30	3,24,117	25	3,12,871	31
Remittance of Treasure		20,27,926	67	46,24,122	47	29,95,379	26
Stationery, etc.		9,61,034	03	8,12,072	10	7,42,616	63
Security Printing—(Cheque, Note Forms, etc.)		1,19,78,666	19	1,14,98,408	34	1,24,15,100	72
Depreciation and Repairs to Bank property		46,33,013	68	23,63,393	19	23,45,978	74
Agency Charges		1,01,12,875	95	1,00,28,088	37	1,37,32,851	48
Contributions to staff and superannuation funds		7,32,000	00	4,63,000	00	29,000	00
Miscellaneous expenses		26,09,481	10	24,83,111	06	22,46,271	97
Net available balance		40,00,12,602	49	40,00,22,721	87	30,00,09,254	95
TOTAL		47,56,98,191	33	47,25,60,478	53	37,08,88,054	or

PROFIT AND LOSS ACCOUNT—*Continued.*

	FOR THE YEAR ENDED					
	June 30, 1960		June 30, 1959		June 30, 1958	
	Rs.	nP.	Rs.	nP.	Rs.	nP.
Surplus payable to the Central Government	40,00,12,602	49	40,00,22,721	87	30,00,09,254	95
Balance carried forward	Nil		Nil		Nil	
TOTAL	40,00,12,602	49	40,00,22,721	87	30,00,09,254	95

RE SERVE FUND ACCOUNT

By balance on June 30, 1960 . . .	80,00,00,000	00
By transfer from Profit and Loss Account	Nil	
TOTAL . . .	80,00,00,000	00

N. D. NANGIA,
Chief Accountant,

H. V. R. IENGAR,
Governor.
B. VENKATAPPAH,
Deputy Governor.
M. V. RANGACHARI,
Deputy Governor.

REPORT OF THE AUDITORS

TO THE PRESIDENT OF INDIA,

We, the undersigned Auditors of the Reserve Bank of India, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at 30th June, 1960.

We have examined the above Balance Sheet with the Accounts, Certificates and Vouchers relating thereto of the Central Office and of the offices at Calcutta, Bombay and Madras and with the Returns submitted and certified by the Managers of the other Offices and Branches, which Returns are incorporated in the above Balance Sheet, and report that where we have called for explanations and information from the Central Board such information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing the particulars prescribed by and in which the assets have been valued in accordance with the Reserve Bank of India, Act, 1934 and the Regulations framed thereunder and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

S. B. BILLIMORIA & CO.,
P. K. GHOSH & CO.,
SASTRI & SHAH. } Auditors

Dated August 10, 1960.

[No. F. 3(61)BC/60.]

Sd/- ILLEGIBLE, Addl. Secy.

(Department of Revenue)

ORDER

STAMPS

New Delhi, the 5th September 1960

S.O. 2246.—In exercise of the powers conferred by clause (a) of sub-section (1) of section 9 of the Indian Stamp Act, 1899 (2 of 1899), the Central Government hereby remits the duty with which the loan agreements executed by the Registered Institutions in the Union Territory of Delhi in connection with the loans granted by the Khadi & Village Industries Commission for implementation of its programme, are chargeable under the said Act.

[No. 6.]

G. S. SAWHNEY, Under Secy.

COLLECTORATE OF CENTRAL EXCISE: WEST BENGAL, CALCUTTA

CENTRAL EXCISE

Calcutta, the 19th August 1960

S.O. 2247.—In exercise of the powers conferred on me under rules 15 and 16 of Central Excise Rules, 1944 as amended under Government of India, Ministry of Finance (Department of Revenue) Notification (Central Excise) No. 3/58 dated 11th January, 1958, read with Rule 233 of Central Excise Rules, 1944, I hereby notify the areas specified in the enclosed Schedule as "Sparse Growing Areas" where the growers and curers of tobacco will be exempt from furnishing declaration of their areas and yield respectively under the said amended rules provided that the area cultivated by a grower does not exceed 10 cents and the quantity to be produced/cured does not exceed the limit as specified in column (4) of the enclosed Schedule.

If, however, a person cultivates an area or, as the case may be, produces/curers a quantity, in excess of the specified limit, the person cultivating the tobacco and the entire produce shall be subjected to normal excise control.

SCHEDULE

*Schedule to Notification No. 6/60 showing Revenue Jurisdiction of Areas in West Bengal
Collectorate exempted under Rules 15 and 16 of Central Excise Rules, 1944.*

Sl. No.	Names of Districts	Portions covered	Exempted quantity
(1)	(2)	(3)	(4)
1	Malda	(Whole)	60
2	West Dinajpur	(Whole)	60
3	Jalpaiguri		
	(i) Jalpaiguri Sub-Division.	Areas West of Teesta River.	40
	(ii) Alipurduar Sub-Division	Areas East of Torsa River.	40
4	Cooch Behar	Tufanganj Sub-Division	60
5	Darjeeling	Whole	60
6	Nadia	Whole	60
7	Bankura	Whole	60
8	Purulia	Whole	60
9	Hooghly.	Whole	60
10	Burdwan.	Whole	60
11	Birbhum.	Whole	60
12	Murshidabad	Whole	60

[No. 6/60.]

A. K. ROY, Collector.

OFFICE OF THE COLLECTOR OF CUSTOMS AND CENTRAL EXCISE, PONDICHERRY

Pondicherry, the 31st August, 1960.

SUB.—Central Excise—Sugar Rule 50 of the Central Excise Rules, 1944—Issue of intermediate or residual product.

S.O. 2248.—In exercise of the powers conferred on me by Rule 50 of the Central Excise Rules, 1944, I hereby direct that no manufacturer of Sugar shall remove from his licensed premises molasses, without the permission of the Central Excise Officer in charge of the factory.

2. To obtain the required information the manufacturer or his authorised agent shall present an application in duplicate in the subjoined form, not less than 2 hours before the intended removal of the molasses from the factory, to the Inspector of Central Excise/Sub-Inspector of Central Excise as the case may be.

FORM

No.

Date

To

The Inspector/Sub-Inspector of Central Excise.

.....Factory.

Please permit removal of the following:

- (i) quantity and description of goods.
- (ii) Mode of packing.
- (iii) Marks and Nos. of packages.
- (iv) Purpose for which issued.
- (v) Name and address of the consignee and the L.4 No. if any.
- (vi) Date and time of removal.

Signature of the manufacturer or agent.

3. The Inspector of Central Excise/Sub-Inspector of C.E. shall after satisfying himself of the correctness of the goods, accord permission by endorsing one copy of the application as follows.

"Permitted."

and return it to the manufacturer who may thereafter remove the goods out of the factory. The original copy of the application will remain in the Inspector's/Sub-Inspector's record.

[No. 2/60.]

A. J. B. LOBO, Collector.

OFFICE OF THE ASSISTANT COLLECTOR OF C. EX., GOA FRONTIER DIVISION : BELGAUM.

NOTICES

Belgaum, the 5th September, 1960

S.O.2249.—Whereas it appears that the goods as mentioned in the undermentioned table seized in the vicinity of the Indo-Goa border, were about to be exported by Land from India to Goa (Portuguese possessions in India) in contravention of the Rules and Notifications as mentioned against each.

S. No.	Date of Seizure Place of Seizure	By whom detected	Description of goods	Quantity	Rules contravened
1	2	3	4	5	6
266/60	3-8-1960 Ganesh Khond Maneri Talewadi.	Inspector C. Ex. Matna.	(i) Stainless Steel Trays (Big.) . . . (ii) Stainless steel Trays (Small.) . . . (iii) Stainless Steel utensils (Small Vati.) . . . (iv) Stainless-steel utensils (Big Vati) . . . (v) Cotton Yarn reals. (spade brand) . . . (vi) Cotton cloth (9 pieces.) . . . (vii) Agarbatti.	36 35 96 120 108 364 Yds. 760 Pkts.	The Govt. of India, Ministry of Commerce & Industry Export Control Order No. 1/58 of 1-5-58 as amended and issued under Sec. 3 & 4-A of the Imports & Exports (Control) Act, 1947 and further deemed to have been issued under Sec. 19 of the Sea-Customs Act. 1878.

2. Now therefore, any person claiming the goods is hereby called upon to show cause to the Asstt. Collector of Central Excise and Land Customs, Goa Frontier Division, Belgaum why the above mentioned goods should not be confiscated under Section 5(3) of the Land Customs Act, 1924 read with Section 167 (8) of the Sea Customs Act, 1878 and why a penalty should not be imposed on him under Section 7(1) (c) of the Land Customs Act, 1924 read with Section 167(8) of the Sea Customs Act, 1878.

3. If such an owner fails to turn up to claim the above mentioned unclaimed goods or to show cause against the action proposed to be taken within 30 days from the date of publication of this notice in the Government of India Gazette, the goods in question will be treated as unclaimed and the case will be decided accordingly.

[No. VIII(b)10-266/60.]

Belgaum, the 5th September, 1960

S.O.2250.—Whereas it appears that the goods as mentioned in the undermentioned table seized in the vicinity of the Indo-Goa border, were about to be exported by Land from India to Goa (Portuguese possessions in India) in contravention of the Rules and Notifications as mentioned against each.

S. No.	Date of Seizure, Place of Seizure.	By whom Detected.	Description of goods.	Quantity.	Rules contravened.
265/60	25-7-60 Kanvel (Near Chigule Village.)	Inspector C. Ex. Kankumbi.	Indian Currency.	Rs. 1025-00	Reserve Bank of India Notification No. F.E.R.A. 172/59 R.B. dated 17-6-59 issued under Sec. 8(2) of the Foreign Exchange Regulation Act, 1947 and further deemed to have been issued under Sec. 19 of Sea Customs Act, 1878.

2. Now therefore, any person claiming the goods is hereby called upon to show cause to the Asstt. Collector of C. Ex. and Land Customs, Goa Frontier Division, Belgaum why the above mentioned goods should not be confiscated under Section 5(3) of the Land Customs Act, 1924 read with Section 167(8) of the Sea Customs Act, 1878 and why a penalty should not be imposed on him under Section 7(1) (c) of the Land Customs Act, 1924 read with Section 167(8) of the Sea Customs Act, 1878.

3. If such an owner fails to turn up to claim the above mentioned unclaimed goods or to show cause against the action proposed to be taken within 30 days from the date of publication of this notice in the Government of India Gazette, the goods in question will be treated as unclaimed and the case will be decided accordingly.

[No. VIII(b) 10-265/60.]

E. R. SRIKANTIA,
Asst. Collector.

MINISTRY OF COMMERCE AND INDUSTRY*New Delhi, the 13th September 1960*

S.O. 2251.—In exercise of the powers conferred by sub-sections (1) and (3) of section 117 of the Trade and Merchandise Marks Act, 1958 (43 of 1958), the Central Government hereby makes the following further amendment in the notification of the Government of India in the Ministry of Commerce and Industry No. S.O. 17, dated the 29th December, 1959, namely:—

In the said notification for the words and figures "shall on and after the 2nd October, 1960", the words and figures "shall on and after the 31st March, 1961" shall be substituted.

[No. 7(1)-TMP/60.]

M. H. SIDDIQI, Under Secy.

COFFEE CONTROL*New Delhi, the 8th September 1960*

S.O. 2252.—Shri M. P. Appu Menon, Secretary, Coffee Board, Bangalore, was granted earned leave for 5 days from the 16th to 20th August, 1960, with permission to prefix the holidays on 13th, 14th and 15th August, 1960 and suffix Sunday the 21st August, 1960.

2. Shri M. P. Appu Menon, resumed duty as Secretary, Coffee Board, on the expiry of the leave granted to him.

[No. 9(36)Plant(B)/60.]

B. KRISHNAMURTHY, Under Secy.

**(Office of the Deputy Chief Controller of Imports and Exports)
(Central Licensing Area)**

ORDER*New Delhi, the 20th August 1960*

S.O. 2253.—Whereas M/s. Baronet Traders, Om Exchange, Naya Bazar/41 U.B. Exchange, Fatehpuri, Delhi, or any bank or any other person have not come forward furnishing sufficient cause, against Notice No. 30:IV/177/1-59/CLA-IV/218 & 219 dated the 1st August 1960 proposing to cancel Licence No. E 694604/57/EI/CCI/D, dated the 16th April 1959 valued at Rs. 500/- for the import of Betelnuts from the Soft Currency Area except South Africa, granted to the said M/s. Baronet Traders, Om Exchange, Naya Bazar/41 U.B. Exchange, Fatehpuri, Delhi by the Deputy Chief Controller of Imports & Exports, Central Licensing Area, B-Barracks, Janpath, New Delhi, Government of India, in the Ministry of Commerce and Industry, in exercise of the powers conferred by clause 8 of the Import (Control) Order, 1955, hereby cancel the said Licence No. E 694604/57/EI/CCI/D, dated the 16th April 1959, issued to the said M/s. Baronet Traders, Om Exchange, Naya Bazar/41 U.B. Exchange, Fatehpuri, Delhi.

[No. 30:IV/177/1-59/CLA:IV.]

V. C. NAIDU, Dy. Chief Controller.

(Indian Standard Institute)

New Delhi, the 5th September 1960

S.O. 2254.—In pursuance of regulation 4 of the Indian Standards Institution (Certification Marks) Regulations, 1955, the Indian Standards Institution hereby notifies that amendments to the Indian Standards given in the Schedule hereto annexed have been issued under the powers conferred by sub-regulation (1) of regulation 3 of the said regulations.

THE SCHEDULE

Sl. No.	No. and title of the Indian Standard amended	No. & date of Gazette Notification in which the establishment of the Indian Standard was notified	No. & date of the Amendment	Brief particulars of the amendment	Date of effect of the amendment
1	2	3	4	5	6
1	IS : 563-1955 Specification for DDT, Technical	S.R.O. 13, dt. 7-1-56	Amendment No. 1 July 1960	Existing Appendix B has been deleted and substituted by a new Appendix.	10 September 1960
2	IS : 881-1956 Specification for BHC, Refined.	S.R.O. 825 dt. 16-3-57	Amendment No. 2 July 1960	Existing Appendix B has been deleted and substituted by a new Appendix.	10 September 1960
3	IS : 1052-1957 Specification for Dieldrin, Technical	S.R.O. 211 dt. 18-1-58	Amendment No. 1 July 1960	Existing Appendix B has been deleted and substituted by a new Appendix.	10 September 1960
4	IS : 1260-1958 Code of Symbols for Labelling of Dangerous Goods.	S.O. 2090 dt. 11-10-58	Amendment No. 1 July 1960	Existing Fig. 7 in Appendix A has been deleted and substituted by a new figure.	10 September 1960

Copies of these amendment slips are available, free of cost, with the Indian Standards Institution, "Manak Bhavan", 9 Mathura Road, New Delhi-1 and also at its Branch Offices at (i) 232, Dr. Dadabhai Naoroji Road, Fort, Bombay-1, (ii) P-11, Mission Row Extension, Calcutta-1 and (iii) 2/21, First Line Beach, Madras-1.

[No. MD/13 : 5.]

C. N. MODAWAL,
Deputy Director (Marks)

MINISTRY OF STEEL, MINES & FUEL**(Department of Iron & Steel)***New Delhi, the 8th September 1960*

S.O. 2255|ESS.COMM|Iron & Steel—27(1)|AM(30).—The following Notification issued by the Iron and Steel Controller under Sub-clause I of Clause 27 of the Iron and Steel (Control) Order, 1956 is published for general information.

"NOTIFICATION

In exercise of the powers conferred by Sub-clause I of Clause 27 of the Iron & Steel (Control) Order, 1956 and with the approval of the Central Government the Iron and Steel Controller hereby notifies the following addendum to the prices under Schedule V (Iron & Steel Defectives and Scrap) of the Ministry of Steel, Mines & Fuel (Department of Iron & Steel), New Delhi Notification No. S.O. 2249-ESS.COMM/Iron & Steel—15(1) & 27(1) published in Part II Section 3(ii) of the Gazette of India of the 1st November, 1958:

ADDENDUM**Under Part III-Melting Scrap****Maximum basic prices
per ton ex-site**

	Rs. L/T	Rs. M/T
Insert the following after item No. 1 (a):—		
Item No. 1(b)—Steel Skull Scrap-unbroken.	100	98.42
Item No. 1(c)—Steel Skull Scrap-Broken & processed.	150	147.63

A. S. BAM, I.C.S.
Iron and Steel Controller."

[No. F. SC(C)-2(121)/60.]

J. S. BAIJAL, Under Secy.

(Department of Mines & Fuel)*New Delhi, the 8th September 1960*

S.O. 2256.—Whereas it appears to the Central Government that Coal is likely to be obtained from the lands mentioned in the Schedule hereto annexed;

Now, therefore in exercise of powers conferred by sub-section (1) of section 4 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957), the Central Government hereby gives notice of its intention to prospect for coal therein.

SCHEDULE**Kosmanda Block—Korba Coal Field (M.P.)****Drawing No. Rev/40/59**

Sl. No.	Village	Tehsil	Disitric	Area	Remarks
1.	Binjhrl	Katghora	Bilaspur	480.00 Acres	Part
2.	Kosmanda	Katghora	Bilaspur	960.00 Acres	Part
3.	Mangaon	Katghora	Bilaspur	96.00 Acres	Part
4.	Bhathera	Katghora	Bilaspur	95.00 Acres	Part
5.	Naraibad	Katghora	Bilaspur	224.00 Acres	Part
TOTAL :—				1855.00 Acres (Approximately).	

Boundary description:

AB line passes through village Binjhri.

BC line passes through village Binjhri and Kosmanda.

CD line passes along the part of common boundary of village Kosmanda and Khatmunda.

DE line passes along the part of common boundary of village Kosmanda and Mangaon.

EF line passes through village Mangaon.

FG line passes through village Naraibad.

FA line passes through village Bhathera, Kosmanda and Binjhri.

The map of this area can be inspected at the office of the National Coal Development Corporation Ltd. (Revenue Section), Darbhanga House, Ranchi or at the office of the Collector, Bilaspur (M.P.).

[No. C2-7(66)/57.]

S.O. 2257.—Whereas it appears to the Central Government that Coal is likely to be obtained from the lands mentioned in the Schedule hereto annexed;

Now, therefore in exercise of powers conferred by sub-section (1) of section 4 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957), the Central Government hereby gives notice of its intention to prospect for coal therein.

SCHEDULE

Drawing No. Rev/41/59

Rajgamar Area in Korba Coal Field

Sl. No.	Village	Tehsil	District	Area	Remarks
1.	Rajgamar	Katghora	Bilaspur	2624.00 Acres	Part
TOTAL :—				2624.00 Acres (Approximately).	

Boundary description:

AB line passes along the Southern Boundary of village Corma.

BC line passes along the Southern Boundary of village Tewanam.

CD line passes along the Western Boundary of village Kerakachhar.

DEFGHIJKL lines passes through the village Rajgamar.

LM line passes along the Western Boundary of village Dumardih.

MNO line passes through village Rajgamar.

OA line passes along the Eastern Boundary of village Kesla.

The map of this area can be inspected at the office of the National Coal Development Corporation Ltd. (Revenue Section), Darbhanga House, Ranchi or at the office of the Collector, Bilaspur (M.P.).

[No. C2-7(66)/57.]

S.O. 2258.—Whereas it appears to the Central Government that Coal is likely to be obtained from the lands mentioned in the Schedule hereto annexed;

Now, therefore in exercise of powers conferred by sub-section (1) of section 4 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957), the Central Government hereby gives notice of its intention to prospect for coal therein.

SCHEDULE

Drawing No. Rev/37/59

Block 'C' in Korba Coal Field or Godhi Block

Sl. No.	Villages	Tehsil	District	Areas in Acres (Approximately)	Remarks
1.	Rapakharra	Katghora	Bilaspur	25.60 Acres	Part
2.	Dhelwadhi	Katghora	Bilaspur	537.60 Acres	Part
3.	Naktikhar	Katghora	Bilaspur	972.80 Acres	Part
4.	Bundeli	Katghora	Bilaspur	1843.40 Acres	Part
5.	Karhumahua	Katghora	Bilaspur	1120.00 Acres	Part
6.	Godhi	Katghora	Bilaspur	1331.20 Acres	Part
7.	Pandripani	Katghora	Bilaspur	448.00 Acres	Part
TOTAL :—				6278.60 Acres (Approximately).	

Boundary description:

AB line passes through villages Rapakharra, Dhelwadhi and part of the common Boundary of village Dhelwadhi and Dadar.

BC line passes through village Naktikhar.

CD line passes through villages Naktikhar and Bundeli.

DE line passes through village Bundeli.

EF line passes through the part of common Boundary of village Bundeli and Murunara and part of Murunara and Karhumahua and this passes through villages Karhumahua and Godhi.

FG line passes through the part of common Boundary of villages Godhi and Bendrakona and Godhi and Pandripani,

GA line passes through village Pandripani.

The map of this area can be inspected at the office of the National Coal Development Corporation Ltd. (Revenue Section), Darbhanga House, Ranchi or at the office of the Collector, Bilaspur (M.P.).

[No. C2-7(66)/57.]

M. BUTT, Dy. Secy.

(Department of Mines and Fuel)

New Delhi, the 9th September 1960

S.O. 2259.—In exercise of the powers conferred by sub-section (2) of section 4 of the Coal Mines (Conservation and Safety) Act, 1952 (12 of 1952), the Central Government hereby makes the following amendment in the notification of the Government of India in the Department of Mines and Fuel (Ministry of Steel, Mines and Fuel) No. S.O. 1963 dated the 4th August, 1960, namely:—

In the said notification, in paragraph 2, in item (1), for the words "Chief Inspector of Mines in India", the words "Chief Inspector of Mines" shall be substituted.

[No. C5-1(28)/60.]

CHHEDI LAL, Dy. Secy.

MINISTRY OF FOOD & AGRICULTURE

(Department of Agriculture)

New Delhi, the 9th September 1960

S.O. 2260.—In exercise of the powers conferred by Clause (1) of article 290 of the Constitution, the President hereby directs the undermentioned instruments may be executed on his behalf by the Assistant Director (Processing), Central Fisheries Technological Research Station, Ernakulam (Cochin), namely:—

- (1) Lease of building known as 'Elisium' T.D. Road Ernakulam, belonging to Mrs. Elize Mathew.
- (2) Agreement with Messrs Larsen & Toubro Ltd., Bombay, in connection with the erection and installation of the Fish Meal Plant at the Central Fisheries Technological Research Station Unit, Bombay.

[No. 3-64/58-FY(I).]

F. C. GERA, Dy. Secy.

(Department of Agriculture)

(I.C.A.R.)

New Delhi, the 7th September 1960

S.O. 2261.—In pursuance of the provision of Sub-Section (d) of Section 4 of the Indian Oilseeds Committee Act, 1946 (9 of 1946), the Central Government hereby appoint Shri M. P. Mathur, Director of Export Promotion, Ministry of Commerce & Industry, New Delhi, as a member of the Indian Central Oilseeds Committee for the period ending on 31st March, 1962, in the casual vacancy caused by the resignation of the sitting member, Shri T. S. Kunchithapatham.

[No. 8-120/60-Com. II.]

New Delhi, the 9th September 1960

S.O. 2262.—Under Section 4(x) of the Indian Cotton Cess Act, 1923 (14 of 1923), the Central Government are pleased to nominate Sardar Arjun Singh, Superintendent, His Highness's Farm, Sriganganagar, as member of the Indian Central Cotton Committee to represent the Cotton growers in Rajasthan State, upto 31st March 1963.

[No. 1-18/59-Com. IV.]

AJUDHIA PRASADA, Under Secy.

MINISTRY OF HEALTH

New Delhi, the 7th September 1960

S.O. 2263.—The following draft of rules further to amend the Indian Aircraft (Public Health) Rules, 1954, which the Central Government proposes to make in exercise of the powers conferred by section 8-A of the Indian Aircraft Act, 1934 (22 of 1934), is hereby published as required by section 14 of the said Act, for the information of all persons likely to be affected thereby; and notice is hereby given that the said draft will be taken into consideration on or after 6th December, 1960.

Any objection or suggestion which may be received from any person with respect to the said draft before the date specified above will be taken into consideration by the Central Government.

DRAFT RULES

1. These rules may be called the Indian Aircraft (Public Health) Amendment Rules, 1960.

2. In the Indian Aircraft (Public Health) Rules, 1954,—

(i) for rule 35 the following rule shall be substituted, namely:—

“35. The Health Officer shall not permit any person to board any aircraft leaving the mainland for any place in the Andaman and Nicobar Islands unless such person produces valid certificate of vaccination against small-pox and cholera:

Provided that the Health Officer may, if acting on general or special instructions of the Central Government, exempt any particular person from the operation of this rule;

Provided further that the Health Officer shall, before the aircraft leaves the airport, furnish to the Commander of the aircraft a certificate giving all relevant details of persons exempted under the first proviso.”

(ii) in sub-rule (1) of rule 36, for the words—

“The Health Officer Shall”, the words “The Health Officer shall, when brought to his notice,” shall be substituted.

(iii) in Schedule I, the items “2 Nationality” and “3 Passport number” shall be omitted and items 4, 5, 6, 7 and 8 shall be renumbered as 2, 3, 4, 5, and 6 respectively;

(iv) in Schedule VI, the words “or a pyrethrum aerosol only, without DDT, containing not less than 0.4 percent pyrethrum applied from an aerosol dispenser” shall be omitted.

[No. F. 16-3/60-IH.]

T. V. ANANTANARAYANAN, Under Secy.

CORRIGENDUM

New Delhi, the 7th September 1960

S.O. 2264.—Ministry of Health Notification No. F. 27-25/60-MII(B) dated 8th June, 1960, should be amended as indicated below:—

Under the words “in the said Schedule in Part II” under item No. 11 the last sub-item should be renumbered as “(d)” in place of the existing No. “(6)”.

[No. F. 27-25/60-MII.]

R. MURTHI, Under Secy.

MINISTRY OF TRANSPORT AND COMMUNICATIONS

(Department of Transport)

(Transport Wing)

New Delhi, the 9th September 1960

S.O. 2265.—In exercise of the powers conferred by clause (1) of Article 299 of the Constitution, the President hereby directs that the undermentioned instrument may be executed on his behalf by the Principal Officer, Mercantile Marine Department, Madras, namely:—

“Lease deed in respect of Foreshore lands in Madras, George Town for building Indian Seamen's Hostel”.

[No. F. 47-MT(87)/52.]

S. K. VENKATACHALAM, Dy. Secy.

(Department of Transport)**(Transport Wing)***New Delhi, the 13th September, 1960*

S.O. 2266.—In pursuance of sub-rule (1) of Rule 9 of the Shipping Development Fund Committee (General) Rules 1960, the Central Government hereby appoints Shri S. K. Ghosh, Deputy Secretary in the Ministry of Transport & Communications (Department of Transport), New Delhi, to be the Secretary of the Shipping Development Fund Committee, until further orders.

[No. 33-MD(150)/59.]

J. V. DASS, Under Secy.

MINISTRY OF RAILWAYS**(Railway Board)***New Delhi, the 9th September 1960*

S.O. 2267.—In exercise of the powers conferred by section 147 of the Indian Railways Act, 1890 (9 of 1890) read with the notification of the Government of India in the late Department of Commerce and Industry No. 801, dated the 24th March, 1905, the Railway Board hereby exempts the railways specified in column 1 of the Table below from the requirement of sub-section (2) of section 64 of the said Act in so far as that sub-section relates to suburban trains running over the sections specified in the corresponding entries in column 2 of the said Table:—

TABLE

Railways	Sections of Railways
1	2
Central	(i) Bombay V.T. to Kasara including Harbour Branch ;
Central	(ii) Bombay V.T. to Karjat, including Harbour Branch ;
Eastern	(iii) Howrah to Burdwan (via Main line and Howrah-Burdwan Chord) ;
Eastern	(iv) Howrah-Bandel-Katwa ;
Eastern	(v) Calcutta-Ranaghat-Krishnagar City ;
Eastern	(vi) Calcutta-Ranaghat-Bagoola ;
Eastern	(vii) Calcutta-Ranaghat-Santipur ; and
South-Eastern	(viii) Howrah to Ballichuk.

[No. 59TGII/9/1.]

R. E. de Sa, Secy.

MINISTRY OF REHABILITATION**(Office of the Chief Settlement Commissioner)***New Delhi, the 12th August 1960*

S.O. 2268.—In exercise of the powers conferred by Sub-Section (1) of Section 3 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954), the Central Government hereby appoints Shri Anant Ram Malhotra, Assistant Settlement Commissioner I/C Indore as Settlement Commissioner for the purpose of performing the functions assigned to such Officer by or under the said Act with effect from the date he took charge of his office.

[No. 6(19)/ARG/60.]

New Delhi, the 8th September 1960

S.O. 2269.—Whereas the Central Government is of opinion that it is necessary to acquire the evacuee properties specified in the Schedule hereto annexed, in the Union territory of Delhi for a public purpose, being a purpose connected with the relief and rehabilitation of displaced persons, including payment of compensation to such persons;

Now, therefore, in exercise of the powers conferred by section 12 of the Displaced Persons (Compensation & Rehabilitation) Act, 1954 (44 of 1954), it is notified that the Central Government has decided to acquire, and hereby acquires, the evacuee properties specified in the said Schedule.

THE SCHEDULE

Sl. No.	Village	Property No	Area Sq. Ft.	Evacuee owner
1	Bhor Garh . . .	Plot No. 10/1 . . .	377	Chhajju s/o Ghisa.
2	Bawana . . .	House No. 17/1 . . .	342	Nanak s/o Mula.
3	Rawta . . .	„ 1 . . .	440	Nihal s/o Lala evacuee & 1/2 share of Sh. Sukhan s/o Khanya stand vested in the Custodian <i>vide</i> CO. order dated 8-6-59 in file No. 2436.
4	Do.	Plot No. 1 . . .	354	Do.
5	Madanpur Khadar	House No. 3/1 . . .	2111	Muradali s/o Ida & Qutbi.
6	Satbari . . .	Plot No. 28 . . .	2038	Allahbux s/o Mirza.
7	Do.	Plot No. 29 . . .	1403	Do.
8	Do.	Plot No. 54 . . .	588	Do.
9	Do.	Plot No. 55/2 . . .	6641	Do.

[No. 1(5)/Policy-II/59.]

KANWAR BAHADUR,

Settlement Commissioner (A) and
Ex-Officio Dy. Secy.

(Office of the Chief Settlement Commissioner)

New Delhi, the 12th September 1960

S.O. 2270.—In exercise of the powers conferred on me by sub-section (2) of Section 34 of the Displaced Persons (Compensation & Rehabilitation) Act, 1954 (44 of 1954), I, S. W. Shiveshwarkar, Chief Settlement Commissioner, hereby delegate my powers under section 28 of the said Act regarding the transfer of any case pending before an officer appointed under the Act to another officer within the Indore region, to Shri Anant Ram Malhotra, Assistant Settlement Commissioner, Indore.

[No. 4(6) Policy-1/60.]

ORDERS

New Delhi, the 9th September 1960

S.O. 2271.—In exercise of the powers conferred on me by sub-section (2) of section 34 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954, I hereby delegate my powers to extend the period for the deposit of the balance of the purchase money or for furnishing particulars of compensation applications of associates in the case of property purchased by auction or tender under the

proviso to sub-rule (11) and (12) of rule 90 of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 to Shri Anant Ram Malhotra, Assistant Settlement Commissioner, Indore.

[No. F. 4(5)Policy-I/60.]

New Delhi, the 12th September 1960

S.O. 2272.—In exercise of the powers conferred by sub-section (2) of section 35 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954) I, S. W. Shiveshwarkar, Chief Settlement Commissioner, hereby authorise Shri Anant Ram Malhotra, Assistant Settlement Commissioner, Indore to make a complaint in writing in a court of law against such person who furnishes in his application for payment of compensation or in declaration under Chapter X of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955, any information which he knows or has reason to believe to be false or which he does not believe to be true.

[No. 4(6)Policy-I/60.]

S. W. SHIVESHWARKAR,
Chief Settlement Commissioner.

MINISTRY OF LABOUR & EMPLOYMENT

New Delhi, the 7th September 1960

S.O. 2273.—In exercise of the powers conferred by sub-section (1) of section 13 of the Employees' Provident Funds Act, 1952 (19 of 1952), and in supersession of the notification of the Government of India in the Ministry of Labour & Employment No. S.R.O. 485, dated the 1st February, 1958, the Central Government hereby appoints Shri S. N. Pande, I.A.S., to be an Inspector for the whole of the State of Bihar for the purposes of the said Act and of any scheme framed thereunder, in relation to an establishment belonging to or under the control of, the Central Government, or in relation to an establishment connected with a railway company, a major port, a mine or an oil-field or a controlled industry.

[No. 31(744)60-PF/I/IL.]

S.O. 2274.—In pursuance of the provisions of paragraph 20 of the Employees' Provident Funds Scheme, 1952, the Central Government hereby appoints Shri L. I. Parija, I.A.S. as Regional Provident Fund Commissioner for the whole of the Union territory of Delhi, vice Shri S. P. Joshi. Shri Parija shall work under the general control and superintendence of the Central Provident Fund Commissioner.

[No. 31(761)60/PFI.]

New Delhi, the 12th September 1960

S.O. 2275.—In exercise of the powers conferred by section 7 of the Coal Mines Provident Fund and Bonus Schemes Act, 1948 (46 of 1948), the Central Government hereby makes the following further amendments in the Coal Mines Bonus Scheme, published with the notification of the Government of India in the late Ministry of Labour No. PF.16(1)/48, dated the 3rd July, 1948, namely:—

1. This Scheme may be called the Coal Mines Bonus (Amendment) Scheme, 1960.

2. In paragraph 1 of the Coal Mines Bonus Scheme,—

(i) in sub-paragraph (ii), for the word "Bombay" the word "Maharashtra" shall be substituted.

(ii) in sub-paragraph (iii) (c), for the words "in the new State of Bombay" the words "In the territories which, as from the 1st May 1960, are comprised in the State of Maharashtra" shall be substituted.

[No. 2(200)60-PF/I.I.]

New Delhi, the 13th September, 1960

S.O. 2276.—In exercise of the powers conferred by Section 7 of the Coal Mines Provident Fund and Bonus Scheme Act, 1948 (46 of 1948), the Central Government hereby makes the following further amendments in the Coal Mines Provident Fund

Scheme, published with the notification of the Government of India in the late Ministry of Labour No. P.F.15(5)/48 dated the 11th December, 1948, namely:—

1. This Scheme may be called the Coal Mines Provident Fund (Amendment) Scheme, 1960.

2. In paragraph 1 of the Coal Mines Provident Fund Scheme—

- (i) in sub-paragraph (ii), for the word "Bombay" the word "Maharashtra" shall be substituted,
- (ii) in sub-paragraph (iii) (c), for the words "in the new State of Bombay" the words "in the territories which, as from 1st May 1960 are comprised in the State of Maharashtra" shall be substituted.

[No. 2(200)60-PF.I/II.]

S.O. 2277.—Whereas immediately before the Employees' Provident Funds Act, 1952 (19 of 1952), became applicable with effect from the 1st November, 1952, to the factory known as Messrs Beharilal Ramcharan Cotton Mills Limited, Ferguson Road, Lower Parel, Bombay-12, there was in existence a provident fund common to the employees employed in the factory to which the said Act applies and the employees in its Head Office situated at Empire House, Dr. Dadabhai Naorogi Road, Bombay—1;

Now, therefore, in exercise of the powers conferred by section 3 of the said Act, the Central Government hereby directs that the provisions of that Act also apply to the said Head Office.

[No. 7(1)/60-PF.II.]

S.O. 2278.—In exercise of the powers conferred by Section 7 of the Coal Mines Provident Fund and Bonus Schemes Act, 1948 (46 of 1948) the Central Government hereby makes the following further amendment in the Coal Mines Provident Fund Scheme published with the notification of the Government of India in the late Ministry of Labour No. P.F.15(5)/48, dated the 11th December, 1948, namely:—

1. (1) This Scheme may be called the Coal Mines Provident Fund (Amendment) Scheme, 1960.

(2) It shall be deemed to have come into force on the 1st November 1956.

2. In the Coal Mines Provident Fund Scheme, in "Schedule B".—

- (i) under the heading "West Bengal", after the word "Suri", the word "Purulia" shall be inserted;
- (ii) under the heading "Bihar", the word "Manbhum" shall be omitted.

[No. 2(204)60-PF.I.]

A. P. VEERA RAGHAVAN. Under Secy.

New Delhi, the 7th September 1960

S.O. 2279.—The following draft of a further amendment of the Calcutta Dock Workers (Regulation of Employment) Scheme, 1956, which the Central Government proposes to make in exercise of the powers conferred by sub-section (1) of section 4 of the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948), is published as required by the said sub-section for the information of all persons likely to be affected thereby; and notice is hereby given that the said draft will be taken into consideration on or after the 10th October 1960.

Any objections or suggestions which may be received from any person with respect to the said draft before the date so specified will be taken into consideration by the Central Government.

Draft Amendment

1. This Scheme may be called the Calcutta Dock Workers (Regulation of Employment) Amendment Scheme, 1960.

2. In the Calcutta Dock Workers (Regulation of Employment) Scheme, 1956, in clause 2, after sub-clause (3), the following sub-clause shall be inserted, namely:—

“(4) Nothing in this Scheme shall apply to any class or description of dock work and dock workers in any ship of the Indian Navy.”

[No. 175(95)/60-Fac..]

New Delhi, the 9th September 1960

S.O. 2280.—In exercise of the powers conferred by sub-section (1) of section 4 of the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948), the Central Government hereby makes the following further amendment in the Bombay Dock Workers (Regulation of Employment) Scheme, 1956, the same having been previously published as required by the said sub-section, namely:—

Amendment

1. This Scheme may be called the Bombay Dock Workers (Regulation of Employment) Amendment Scheme, 1960.

2. In the Bombay Dock Workers (Regulation of Employment) Scheme, 1956, in sub-clause (1) of clause 51, in the second sentence, the following words shall be added at the end, namely:—

“and the amount payable by way of such levy shall not be less than such amount as the Board may fix as the minimum payable by every registered employer.”

[No. Fac.174(8)/59.]

New Delhi, the 17th September, 1960.

S.O. 2281/PWA/Rlys/Rules/Am. 4.—The following draft of certain further amendment to the Payment of Wages (Railways) Rules, 1938, which the Central Government proposes to make in exercise of the powers conferred by sub-sections (2), (3) and (4) of section 26, read with section 24 of the Payment of Wages Act, 1936 (4 of 1936), is published as required by sub-section (5) of section 26 of the said Act for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 15th December, 1960.

Any objection or suggestion which may be received from any person with respect to the said draft before the date specified will be considered by the Central Government. Such objection or suggestion should be addressed to the Secretary to the Government of India, Ministry of Labour and Employment, New Delhi.

Draft Amendment

1. These rules may be called the Payment of Wages (Railways) Amendment Rules, 1960.

2. In the Payment of Wages (Railways) Rules, 1938, for rule 8, the following rule shall be substituted, namely:—

“8. Notice of wage period and dates of payment.

(1) The paymaster shall display in a conspicuous place at every station or establishment a notice in English and Hindi or in the language (if that be not Hindi) of the majority of the persons employed at such stations or establishment, as the case may be, showing:

(i) the wage period for which wages are payable; and

(ii) the days or dates on which wages are to be paid.

(2) Every such notice shall be maintained in a clean and legible condition.

(3) A copy each of every such notice and of any alteration therein shall be sent to the Inspector not less than two weeks in advance of the day or date on which wages are to be paid.”

[No. Fac. 535(2)/60.]

R. C. SAKSENA, Under Secy.

New Delhi, the 8th September 1960

S.O. 2282.—Whereas the Central Government is satisfied that the employees of the Burra Bazar Workshop, Calcutta, belonging to the Posts and Telegraphs Department under the control of the Ministry of Transport and Communications, are otherwise in receipt of benefits substantially similar or superior to the benefits provided under the Employees' State Insurance Act, 1948 (34 of 1948);

Now, therefore, in exercise of the powers conferred by section 90 of the said Act, and in continuation of the notification of the Government of India in the Ministry of Labour and Employment No. HI-6(137)/59, dated the 2nd July, 1959, the Central Government hereby exempts the said factory from all the provisions of the said Act.

2. This notification shall be deemed to have come into force on the 2nd July, 1960.

[No. F. HI-6(46)/60.]

BÁLWANT SINGH, Under Secy.

New Delhi, the 8th September 1960

S.O. 2283.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Dhanbad, in the industrial dispute between the employers in relation to the Central Kirkend Colliery and their workmen.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, DHANBAD

REFERENCE No. 30 OF 1960

PARTIES:

Employers in relation to the Central Kirkend Colliery

AND

Their workmen.

PRESENT:

Shri Palit, M.A.B.L., Chairman, Central Govt. Industrial Tribunal, Dhanbad.

APPEARANCES:

Shri S. S. Mukherjea, Advocate, with Shri D. Narsingh, Advocate,—for the employers.

Shri Lalit Burman, General Secretary, Bihar Koyla Mazdoor Sabha,—for the workmen.

INDUSTRY: Coal

STATE: Bihar.

Dhanbad, dated the 29th August 1960

AWARD

The Ministry of Labour & Employment, Government of India, by its Order No. 2/95/60-LRII dated the 16th May 1960 referred the aforesaid industrial dispute to this Tribunal presided over by me, made in exercise of the powers conferred by clause (d) of sub-section (1) of Section 10 of the Industrial Disputes Act, 1947 (XIV of 47) for adjudication concerning the matters scheduled below:—

SCHEDULE

“Whether the management of the Central Kirkend Colliery were justified in dismissing Sarva Shri Madan Singh, Keshao Mahto, Sital Dusadh, and Naurangi Dusadh, miners. If not, to what relief are they entitled and from which date?”

2. It is the case of the workmen that they have been wrongfully dismissed and victimised because they were collecting thumb impressions of the miners against the in-charge Officer of the mine Shri Ayub Khan for causing harassment by not allotting suitable working faces, tubs, lead and lift allowances etc. The said in-charge Officer belong to the INTUC union namely, Colliery Mazdoor Sangh and as such was prejudiced against these workmen who were members of the Bihar Koyla Mazdoor Sabha. These miners have been taking the initiative in

these representations and protests for which the management tried to get rid of them. They were given charge sheets on false allegations on the 6th February 1960. There was an enquiry. They were found guilty and have been dismissed. An appeal to the Director of the company produced no result. The conciliation proceeding which followed ended in a failure. Hence this reference.

3. The management, on the other hand, says that these workers were violent and were guilty of riotous and disorderly conduct within the colliery. Two of them were charged on 2nd September 1959 for assaulting one Shri Kaliram Munshi. After departmental enquiry they were let off with a warning. During the departmental enquiry in the present case Shri Ayub Khan had to be present because he was the in-charge officer. He did not take any part in the said proceedings.

4. To take disciplinary action against a workman in the employ of the management is within its normal function. The Tribunal can only intervene and interfere with the said finding if it finds that the management have some extraneous consideration in punishing the workman and there was malafide involved. In the absence of victimisation the Tribunal will not be justified in substituting its own judgment in the matter. Harsh punishment out of all proportion to the offence might be an index to the practice of victimisation. Keeping those principles which have been enunciated in a series of cases in view, let me see what is the present position.

5. In the present case these four workmen were said to have filthily abused the mining sirdar in the morning of 4th February 1960 at the pit top when he was busy writing out his report of the previous night. There was an altercation over the payment of lead and lift allowance etc. Those miners became furious and were going to assault the mining sirdar Juman Mia and would have done it but for the time intervention of the Attendance Clerk. Thereafter, they also intervened and abused Jago Bhuia in the depot which lay at a distance of 200 feet when he refused to give gratuitous coal for consumption to the miners as under the rules. Such distribution of a coal is permitted on first three days of the week. They also tried to assault him. These two men had submitted a written complaint against these four miners and so the charge sheets were issued. There was a departmental enquiry in which even an office bearer of Bihar Colliery Mazdoor Sabha was present. These miners cross-examined the witnesses. Thereafter, they were found to be guilty. Now the point is whether this departmental enquiry was vitiated by any malafide motive. It is admitted by Sital Dusadh that the witnesses examined in the enquiry were members of the Bihar Koyala Mazdoor Sabha to which they had also subscribed. They were not members of the Colliery Mazdoor Sangh of which the in-charge officer was a member. So, so far as the union affinity is concerned, these witnesses bore kinship more to these miners in the Reference than to the in-charge officer Shri Ayub Khan. So the union rivalry can never be the motive to bring a false case. All that is said by these miners is that they never met the mining sirdar Juman Mia at the pit top on 4th February 1960. They contend that at 7-30 A.M. they came up to the surface from the underground mine and the mining sirdar Juman Mia was on duty in the previous shift. But this cannot stand them in good stead because it is in evidence that the mining sirdar Juman Mia came to meet the in-charge officer in the morning of 4th February 1960 who had already gone underground. So he had to wait there. Of course, these miners were collecting thumb impressions in a joint petition designed to be filed against the in-charge officer. That might have annoyed Shri Ayub Khan. But from that it is difficult to conclude that Shri Ayub Khan concocted this entire plot through his henchmen to let these miners down. These miners naturally had grievances against the mining sirdar Juman Mia, genuine or supposed. So their altercation with Juman Mia is only in the fitness of things. They thought that he was primarily responsible. As a matter of fact it is said that Juman Mia got them employed but when they demanded 'lead and lift' allowance he said he did not know. He would not pay it from his own pocket. Similarly, the incident with Jado Bhuia has been proved by all these witnesses. There is not much to discredit their testimony. No allegation of enmity with them. So, under the circumstances, the view which the management took was a possible view on the evidence on record. Whether the Tribunal by having evidence afresh before it would come to a different conclusion is neither here nor there. The enquiry was fair and the accused had full opportunity of cross-examination which they did. The Tribunal has nothing before it to conclude that the finding reached in the enquiry was either vitiated by partiality or that it was perverse. So it concurs with the view taken by the management.

6. Next, I find that if the offence complained of is proved against these workmen, then the standing order of the coal mining industry as per para 27(5) may be taken as proved. That entails dismissal as one of the penalty provided under it. If the management has inflicted this penalty, the Tribunal cannot say that it is wrong. Against Shri Sital Dusadh and Keshav Mahto there was already a case of assault not very far back as on 2nd September 1959 (vide Exhibits A and A-1). Of course, they pleaded not guilty there in the enquiry but they were suspended and let off with a warning. There was suspension pending enquiry and ultimately they were let off with a warning. That was for assaulting one Kaliram Munshi, another co-worker. Thus riotous and disorderly behaviour does not seem to be unknown to at least two of these miners, in this reference. So I do not think that the punishment is out of all proportion to the gravity of the offence such as to give rise to any presumption of victimisation. This being so, I find that the dismissal of these four miners, namely, Madan Singh, Kesho Mahto, Sital Dusadh and Naurangi Dusadh was justified. They are accordingly entitled to no relief.

DHANBAD,

The 29th August 1960.

(Sd.) G. PALIT,

Chairman,

Central Government Industrial Tribunal, Dhanbad.

[No. 2/95/60-LRII.]

S. N. TULSIANI, Under Secy.

New Delhi, the 9th September 1960

S.O. 2284.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the National Industrial Tribunal, Bombay, in the matter of application under section 33A of the said Act from Shri Nagesh Ramchandra Wagle, an employee of the Press Trust of India.

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL OF INDIA.

APPLICATION No. 16 of 1960

[arising out of Ref. No. 2(NTB) of 1959]

Nagesh Ramchandra Wagle.—*Complainant.*

versus

The Press Trust of India Ltd., Bombay.—*Opp: party.*

PRESENT:

Shri Salim M. Merchant, B.A.L.L.B.,—*Presiding Officer.*

Bombay, dated 25th August 1960.

APPEARANCES:

For the complainant: Shri G. L. Date, Advocate.

For the opp: party: Shri C. C. Shah, Solicitor instructed by Shri K. N. Ramanathan, General Manager, Press Trust of India.

STATE: Head office—Maharashtra.

INDUSTRY: New Agency.

AWARD

The complainant is admittedly a workman concerned in the industrial dispute between the Press Trust of India and its workmen, Reference No. 2(NTB) of 1959, which is pending before this Tribunal. This complaint purports to be under section 33A of the Industrial Disputes Act, 1947, and is directed against the letter dated 8th June 1960 of the opposite party addressed to the complainant intimating to him that he is due to retire from the service of the company on 29th August 1960, and stating that he should avail himself of the 40 days' privilege leave due to him in full from a convenient date before the date on which he is due to retire. He was further informed that if he did not avail himself of such leave before the date of retirement, the company would not pay him any cash compensation in lieu of unavailed of leave.

The complainant has stated in his complaint that he was being retired in spite of the fact that several other older employees have been continued in the service of

the opposite party; that the opposite party has taken this arbitrary and discriminating action against the petitioner while extension of the present age of retirement of employees is one of the items of reference before this Tribunal, and the complaint ends with the prayer that the Tribunal, may be pleased to decide the complaint set out above and pass such order as it may deem fit and proper.

The opposite party in its written statement in reply dated 16th August 1960, has stated that it has not been guilty of any contravention of the provisions of section 33 of the Industrial Disputes Act, 1947; that according to the agreement dated 3rd July 1955 entered into between the Press Trust of India Ltd., and the Federation of Press Trust of India Employees' Unions, every employee of the P.T.I. has to retire on completion of the age of 55 years; that this was a term and condition of service of the complainant who had accepted the said agreement and had received benefits thereunder and was therefore bound by the same. It is also stated by the opposite party that both parties had acted upon the agreement. The opposite party has therefore denied that it has taken any arbitrary or discriminating action against the complainant, and submits that it has acted according to the conditions of service binding upon the complainant and therefore the complaint should be dismissed.

It is true that one of the subject matters in dispute in this Reference relates to extension of the age of the retirement, which is 55 years in terms of the staff agreement of 3rd July 1955. The Federation of the Press Trust of India Employees' Unions has in this dispute asked for the age of superannuation to be extended to 60 years. There has been no order from the Tribunal granting stay of the existing terms and conditions of service under which the age of superannuation as provided for in the staff agreement of 3rd July 1955 is fixed at 55 years. The management in giving notice to the complainant that he would be retiring on 29th August 1960 on his completing 55 years of age has acted under the terms and conditions of service applicable to the applicant and in force at present. There has thus not been any breach of the provisions of section 33 of the Industrial Disputes Act, 1947, as there has been no change in the terms and conditions of service applicable to the complainant on the date of the reference of the dispute to adjudication.

Shri G. L. Date appearing for the complainant was not able to show how there has been any violation of section 33 of the Act. In the absence of clear proof that there has been a breach of section 33 a complaint under section 33A cannot lie. The complaint is therefore dismissed.

No order as to costs.

Sd/- SALIM M. MERCHANT,
Presiding Officer,
National Industrial Tribunal,
Bombay.

[No. I.RI-58(4)/59.]

S.O. 2285.—In exercise of the powers conferred by section 14 of the Industrial Employment (Standing Orders) Act, 1946 (20 of 1946), and in supersession of the notification of the Government of India in the Ministry of Labour No. LR. 11(2)/54 dated the 30th June, 1954, the Central Government hereby exempts the Delhi Transport Undertaking, an Undertaking established under the Delhi Municipal Corporation Act, 1957 (66 of 1957), from all the provisions of the first mentioned Act, subject to the following conditions, namely:—

- (1) that the Delhi Transport undertaking shall arrange to bring together all the rules relating to the matters set out in the Schedule to the first mentioned Act in a pamphlet form and publish them in English and in the language or languages understood by the majority of the workmen;
- (2) before making any amendment to the said rules, the Transport Undertaking shall inform the workmen concerned by a notice on the notice board in the offices of the Undertaking and in the Workshops and Depots of the proposed amendment and shall consider any objection or suggestion that may be made thereto within twenty-one days of such notice;
- (3) a copy of the pamphlet referred to in clause (1) above and a copy of every amendment thereto shall be supplied to each of the workmen concerned.

[No. F. 23/8/60-LRI.]

ORDER

New Delhi, the 7th September 1960

S.O. 2286.—Whereas the Central Government is of opinion that difficulties have arisen as to the interpretation of paragraphs 71, 128 and 131 of the Award dated the 9th June, 1959, of the National Industrial Tribunal of India at Bombay in Reference No. (NT) 1 of 1958, published with S.O. 1465, dated the 17th June, 1959;

And whereas the Central Government considers it desirable to refer the questions for interpretation;

Now, therefore, in exercise of the powers conferred by section 36A of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the questions specified in the Schedule below for interpretation to the Central Government Industrial Tribunal, Bombay, constituted under section 7-A of the said Act.

SCHEDULE

- (1) Whether the scales of pay mentioned in paragraph 71 of the Award of the National Industrial Tribunal apply to peons in the Ghatkesar Factory?
- (2) Whether clause 4 of the production incentive scheme 1956, of the Ghatkesar Factory which is made applicable by the Award of the National Industrial Tribunal to all the three factories, Ghatkesar, Kanhan and Jamnagar would entitle the management to take into account the total number of Class A employees irrespective of the actual number employed in Class A occupations for the purpose of computing average incentive?
- (3) Whether condition 1 of paragraph 131 of the Award would justify fixation of targets for Saturday working different from the targets fixed in the Ghatkesar Incentive Agreement of 1956 for Saturday?
- (4) Whether condition 6 of paragraph 131 of the Award excludes peons and malis who were participating in the wage incentive scheme agreement of 1956 and whether hourly rated Grade I workers in Ghatkesar factory are entitled to participate in the Wage Incentive Scheme by virtue of this condition?

[No. 17/1/60-LR-IV.]

A. L. HANDA, Under Secy.

MINISTRY OF INFORMATION AND BROADCASTING

New Delhi, the 12th September 1960

S.O. 2287.—In exercise of the powers conferred by the proviso to Article 309 of the Constitution, the President hereby makes the following amendments in the Broadcasting Stations, All India Recruitment Rules, 1958, namely:—

In the schedule to the said Rules, the following may be inserted as Column No. 16:—

Selection of direct recruits.

16

The candidates recruited direct will have to qualify in the written examination conducted by the Department in accordance with the prescribed procedure. They will also have to appear for interview at the place to be notified to individual candidates.

[No. 11(12)/59-B(A).]

J. D. JAIN, Under Secy.